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International Affairs: Rio Group, EU Negotiate Declaration

PY1304220096 Madrid EFE in Spanish
1824 GMT 13 Apr 96

[FBIS Translated Text] Cochabamba, Bolivia, 13 Apr (EFE) — The Rio Group and EU "troikas" discussed their respective drafts of the Cochabamba Declaration this morning. The declaration is scheduled to be approved by both regional organizations' foreign ministers on 16 April.

The Rio Group and the EU are using the "troika" system, that is, one negotiator representing the country responsible for coordinating the activities of the regional organization during the current period, a second from the previous period, and a third from the next period.

Latin American representatives already received the document prepared by their EU colleagues eliminating some paragraphs from the draft declaration elaborated by the Rio Group yesterday.

Minutes before the meeting between the Rio Group "troika" (Bolivia, Ecuador, and Paraguay) and the EU "troika" (Italy, Spain, and Ireland), Ecuadoran delegate Patricio Palacios said that the latest changes that have been proposed are not substantive, adding that there is "almost total agreement."

The main difference between both regional organizations lies in the inclusion of an expressed condemnation of the hardening of the U.S. embargo against Cuba in the Cochabamba Declaration.

European countries' reluctance to accept the text is not due to substantive differences on the rejection of the Helms-Burton law, since official EU declarations have been very clear on the subject. The opposition responds, instead, to a decision to avoid a European-Latin American criticism en bloc against the U.S. attitude.

Other important issues analyzed during the meeting were drug trafficking, sustainable development, and the increase in commercial relations.

International Affairs: Security Guarantee at Rio-EU Meeting

PY1304214996 Madrid EFE in Spanish
1828 GMT 13 Apr 96

[FBIS Translated Text] Cochabamba, 13 Apr (EFE) — Bolivian Minister of Government Carlos Sanchez Berzain told EFE today that he will not permit protest demonstrations in this city, and fully guaranteed the security of those participating in the Sixth Institutionalized Ministerial Meeting of the Rio Group and the EU.

The minister is in the city personally supervising the security measures that are being implemented by the police, which have been specially reinforced due to the social and political tensions affecting Bolivia in the past few weeks.

Delegations of at least 12 countries, including various foreign ministers, arrived at the Cochabamba airport this afternoon.

Sanchez Barzain explained to EFE that his department, in coordination with the National Police, elaborated a special plan to cover the international meeting. Previous preparations for the meeting started 15 days ago and the central discussions started on 12 April.

Sanchez Berzain and Cochabamba Prefect Alberto Gasser on one hand, and the main groups whose demonstrations could have provoked disturbances on the other hand, agreed to a social truce. The government has not been able to reach any agreement with teachers and coca growers thus far.

The minister warned, however, that he will not permit any one of those groups to block any road or stage any demonstration, adding that in order to avoid disturbances, he will enforce all legal norms in effect on the subject.

"That is what the law is for. We will enforce it strictly in order to prevent any street disturbance," Sanchez said, insisting that he is in a position to guarantee that there will not be any protest demonstration in Cochabamba during the meeting.

The police disbanded a march organized by the Greater University of San Simon (UMSS) on 11 April. Afterward, the minister reported that Prefect Gasser and university authorities reached an understanding. Therefore, that group will not protest in the city during the meeting.

Sanchez also said that besides the security measures in effect, the "people from Cochabamba will not permit anyone to spoil a meeting such as this one that gives the city an opportunity to become the center of the country's participation in international conventions."

Inter-American Affairs: C.A. Forum on U.S. Drug Assessment

PA1404032596 Panama City EL SIGLO in Spanish 13 Apr 96 p 10

[Report by Yuriela Sagel]

[FBIS Translated Text] The presidents of the Central American and Belizean legislative bodies yesterday deplored the U.S. Government's unilateral assessments of the degree of commitment other countries have in their fights against "narco-activities."

As the second forum of Central American Legislative Branches presidents ended, the parliamentarians signed the Declaration of Panama repudiating the assessing attitude of the U.S. Government regarding Latin American nations' fights against drug trafficking and money laundering.

They stated that the fact the United States determines whether a country is or is not correctly fulfilling its overseeing mission is unfair when it is noticeable that most countries, even Colombia, have fought against this monster.

The declaration states that the fight against drug trafficking must be fought at all levels and across all borders, respecting each country's sovereignty and legal framework. The politicians also stated that the U.S. attitude fails to contribute something positive to the planning of the necessary global strategies for the unified fight of nations and parliaments against the drug scourge.

The U.S. decertification signifies the withdrawal of the economic aid the United States offers yearly to Latin American countries to combat drug rafficking. Likewise, the presidents of the legislative bodies acknowledged that more drugs are being consumed here and that certain areas are beginning to grow them and produce them at an alarming scale.

"Drug trafficking has become a serious challenge for the entire human race, a challenge that jeopardizes not only health, civic security, and society's healthy coexistence but also the political stability of governments and the processes of democratic transition, construction, and consolidation," the parliamentarians affirmed.

Reforming laws to combat drug trafficking and money laundering in the area, ensuring the enforcement of laws and agreements on these matters, promoting swift mechanisms of cooperation that strengthen common and effective actions against this crime, and controlling the illegal trade and traffic of foreign exchange are some of the actions the forum will pursue.

Inter-American Affairs: C.A. Lawmakers View U.S. Policy

PA1404133696 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Apr 96 p A2

[By Esteban Huertas G.]

[FBIS Translated Text] Central America's legislative leaders plan to establish a special joint commission to ratify international conventions on the fight against drug trafficking. Delegates to the Second Forum of Parliament Presidents considered during the forum's closing session on 12 April reforms to the juvenile criminal justice law, a new penal procedures code, and the arms, psychotropic substances, and telephone tapping laws.

The delegates criticized the U.S. Government's policy of punishing countries in the hemisphere, arguing that the United States does not do enough on the counternarcotics front. The delegates regretted the one-sided criticism that is leveled against countries with regard to their commitment to the war on drugs. They said that this does not help encourage countries and parliaments to join in a unified struggle against this scourge. The delegates added that while the war on drugs must be entered into at all levels and across all borders, each country's sovereignty and legal system must be respected.

Delegates to the two-day meeting reaffirmed their commitment to either drafting or reforming legislation to fight drug trafficking and the laundering of money, assets, and other properties, as well as to developing a process for reviewing regulations on this matter within the Central American framework.

Delegates also noted the need for strict compliance with laws and agreements, uniformity of legislation, and the development of juridical figures, regarding control of illegal trade and traffic of foreign exchange, to combat money laundering, among other crimes.

Inter-American Affairs: Mercosur To Adjust Property Laws

PY1004163996 Sao Paulo AGENCIA ESTADO in Portuguese 0040 GMT 10 Apr 96

[Report by Monica Magnavita]

[FBIS Translated Text] Rio de Janeiro, 9 Apr (AE) — The industrial property institutes of Mercosur [Common Market of the South] member countries will sign, on 28 June, an agreement to harmonize laws on industrial property rights. The objective is to establish conditions that will allow a coexistence among the various laws of the four countries. The presidents of the institutes met today in the National Institute of Industrial Property (INPI) in Rio de Janeiro.

INPI President Vanda Scartezini said that before 28 June, the institutes of the four countries will feed information on trademarks and patents to a network. "Thus, we will considerably reduce the piracy that currently exists," she said.

Brazil will be the country to benefit most from the network interconnection among the Mercosur countries. According to Scartezini, the integration effort will seek similar trademarks, and since Brazil owns a much larger volume of trademarks than Argentina, Paraguay, and Uruguay, Brazilian companies will win with this new weapon to combat pirate copies of goods. To have an idea of the differences among the institutes, the INPE last year received more than 81,000 trademark register petitions, while Uruguay registered only 9,000 petitions.

Cuba

Cuba: Robaina on Ties With Spain, U.S. Sanctions

BR1004140496 Madrid EFE in Spanish
1214 GMT 9 Apr 96

[Unattributed report: "Cuba — No Change in Spanish Relations Despite People's Party Government"]

[FBIS Translated Text] Madrid (EFE) — Cuban Foreign Minister Roberto Robaina said today that his country had no desire to alter the "privileged relations" it enjoys with Spain even if the next government is formed by the People's Party.

During a short stopover at Madrid's Barajas Airport Robaina would not make a comment on whether a government headed by Jose Maria Aznar would change the nature of the relationship between the two countries, especially where cooperation is concerned.

The Cuban foreign minister simply stated: "It is better just to wait and see what happens." He added that in Spain the priority is now to form a new cabinet before matters of policy can be discussed.

Nevertheless, he did stress that the traditional ties between Spain and Cuba are "at the level of the people and are more important than the political affiliations of either government."

Asked about the effect the American elections would have on Cuba, the minister replied ironically that "it is just as well they are only every four years."

He added: "We live just 90 miles apart," but Cuba cannot be dependent on U.S. policy and has to follow its own path "and defend socialism."

He criticized the fact that the United States presents itself as the champion of human rights while recent TV pictures have shown U.S. policemen beating up Mexican immigrants.

Robaina also criticized the Helms-Burton law tightening the U.S. embargo on Cuba and which affects other countries that have businesses in the Caribbean state.

He said: "The law harmed Cuba even before it was introduced because it created uncertainty and fear." He added that the only reply is to continue with the process of change, and he was keen to make this message clear to international trade.

Robaina said that this process of change "is irreversible" and he regretted the fact that the United States is not just attacking Cuban sovereignty but is also acting against other countries' ability to do business with the island.

Cuba: Robaina Restates Government Willing To Talk to U.S.

PA1204195996 Havana PRENSA LATINA in Spanish
0141 GMT 12 Apr 96

[FBIS Translated Text] Havana, 11 Apr (PL) — Foreign Minister Roberto Robaina said today that Cuba has always demonstrated its willingness for dialogue and communication with the United States, "even during the worst moments of the crisis," but always — he stressed — on the basis of mutual respect.

In fact, we have always maintained a friendship with the U.S. people and various economic, social, and even political sectors of the U.S. society, the Cuban foreign minister pointed out in a statement to a European radio station broadcast here by Radio Rebelde.

Not all channels have been closed between Havana and Washington, he added. We even maintain several channels that have allowed us to continue evaluating the events after 24 February.

On 24 February, lightplanes with U.S. registration violated, on several occasions, the island's airspace before being neutralized by the Cuban Air Force.

Using this incident as a pretext, U.S. President William Clinton promulgated the Helms-Burton law, which seeks to internationalize a blockade imposed on Cuba unilaterally by his country since 1962.

According to Robaina, the bilateral communication channels were strengthened after 24 February because of the need of the two countries to exchange views regarding the case.

The Cuban position has been confirmed after that day regarding the government's willingness for dialogue and desire to cooperate and exchange views, "but only if we have mutual respect for each other," he emphasized.

The effects of the Helms-Burton law in Cuba are very serious, even prior to its ratification, Robaina remarked.

The Cuban foreign minister pointed out: I do not believe its ratification — on 12 March — marked the most critical point. Before then, this law was already causing harm, because it generated uncertainty and mistrust among future investors.

The U.S. measure establishes sanctions against those nations or organizations that trade with assets nationalized by the Cuban Government after 1959.

Robaina also reiterated that Cuba will continue its process of economic and social transformations, although, from now on, with more discretion due to the difficult situation caused by the U.S. blockade.

Cuba: Minister on 'Countermeasures' to Helms-Burton Law

PA1204153196 Havana PRENSA LATINA in Spanish 1535 GMT 10 Apr 96

[FBIS Translated Text] Havana, 10 Apr (PL) — Official sources reported today that the Cuban priorities for this year include investments in the food, steel and iron works, light products industry, and general manufacturing with the goal of generating new jobs.

In statements to **BOHEMIA** magazine, Ibrahim Ferradaz, minister for foreign investment and economic cooperation (Minvex), stated that attention will be given to those sectors depending on their capacity to generate new jobs, and the benefits they will generate for the state, and the foreign investor.

Also, he stated, we are expecting significant transactions in the field of real estate, where four joint ventures for the construction of offices and homes have been approved so far.

However, the official said, investments will be kept up in economic sectors such as mining and tourism, where 28 mining and 34 tourism joint ventures with foreign capital were operating by the end of 1995.

Basically, Ferradaz added, we seek the technology that is not within our reach, markets, and fresh capital. We can get any industry running with these elements.

Ferradaz indicated that the first benefit to stem from the associations is the guarantee of new jobs and explained that these joint ventures can create incentive funds, which would revert directly to the workers.

A few investors, the minister said, have not been satisfied with the results of the joint ventures as so often happens in business, but what is noteworthy is that many foreign companies have expanded their activities as a result of the good performance of their initial operations.

Ferradaz warned that the Helms-Burton law, approved recently by the United States, will initially affect Cuba because of the uncertainty it will create among investors because of the possibility of getting hurt, although the waters will return to their normal levels eventually.

In that regard, Ferradaz assured that the country will adopt "countermeasures" to neutralize the law."

Cuba: Use of Human Rights as 'Ideological Weapon' Opposed

PA1204144996 Havana PRENSA LATINA in Spanish 1505 GMT 10 Apr 96

[FBIS Translated Text] Geneva, Switzerland, 10 Apr (PL) — Cuban Foreign Minister Roberto Robaina stated today, that human rights cannot continue to be used as an ideological weapon to implant a new world order in the post-Cold War period, or a foreign policy tool to apply pressures on sovereign countries.

If there is a right worth considering it is the free determination of each country to elect, without foreign interferences, the political and socioeconomic system that best suits them, the Cuban representative said when he spoke before the 52d session of the UN Human Rights Commission.

"The fact that some theorists of the latest generation want to impose concepts such as the liberal market economy [democracia liberal de mercado] is unacceptable. The creators of this concept are clearly distinguishable, and the model of society they propose is one where power belongs to those who can buy it," he underscored.

In his intervention, Robaina criticized the level of confrontation that several countries promote at this forum, an action that goes against the human rights cause itself.

Almost nothing of what is done in the Southern countries is considered to be exemplary. Individual initiatives are not acceptable, only those that are imposed by the North. Individual values are not acceptable, only those that come from societies that are quite different to the ones in the impoverished South, he stated.

He added that there are those who, in the name of human rights and of new democratic plan, attempt to sanction interference by disguising it with modern concepts such as limited sovereignty, humanitarian operations, preventive diplomacy, early alert, and recovery, promotion, or consolidation of peace.

In this context, Robaina observed that the "monstrous Helms-Burton law, recently approved by the United States, is not only a outright mockery of the most sacred postulates of international law, but also constitutes the cruelest violation of the right to live of 11 million human beings, without distinction of age, sex, race, or religion."

This law is a new attempt to satisfy the thirst for vengeance of a few annexationists, shady Cuban-born millionaires and mafia members, who are increasingly more removed from most of the Cuban community in the United States that does want regular relations, and respect for their fatherland, he emphasized.

Robaina added that the only transition sought by this law is a return to a crime-, misery-, and corruption-filled past Cuba has paid for dearly for over half a century.

Expanding on the implications of this disposition, Robaina said that it sets a precedence which violates the human rights of all nations, and the traditions of international law by attempting to impose the hegemony of one nation over the rest of the world.

"There is no doubt that hiding behind this law are the most retrograde forces which currently prevail in the United States where neo-fascist ideas are proliferating," Robaina said.

Robaina warned that the Cuban people are very aware of these intentions, and the harm they have begun to inflict. However, there is no doubt that the Cuban people will never allow themselves to be defeated, Robaina pointed out.

The Cuban leader also denounced the existence of sinister powerful groups that are trying to steer Cuba and the United States into a major conflict of unforeseen consequences.

We suspect that the tense situation between the two nations, which in recent months has taken a dangerous turn, is the tip of the iceberg of a foul political conspiracy aimed not only at Cuba, but mainly toward the most liberal, and advanced political ideas of that great nation, Robaina added.

In this regard, Foreign Relations Minister Robaina emphasized that his country has never been interested in creating unnecessary or opportune tension in "relations with the United States, and will continue to encourage exchanges and contact between the people of Cuba and the United States."

"We reiterate that we have been, and will always be, willing to talk and negotiate with the United States any issue of mutual interest, based on mutual respect," Robaina remarked.

Expanding of the subject of the commission, Robaina pointed out that the same slanted zeal with which some individuals oversee, and manipulate, the enforcement of specific isolated rights, should be applied to the universal declaration of human rights, respecting the universality, indivisibility, and interdependence of all human rights.

Robaina affirmed that the principles of dignity, equality, and fraternity are a dead letter in those societies whose governments offer no solution regarding real equality and the well-being of its citizens.

Regarding this aspect, Robaina asked what were the real political possibilities in the nations to the north of the unemployed, beggars, national minorities, poor children, Indian people, unwed mothers, and women who suffer discrimination and abuses of all kinds.

The fundamental human right, the right to life, cannot be exercised without guaranteeing food, health, and shelter, Robaina concluded.

We reiterate the basic need to guarantee the absolute right to progress because without it all headway regarding the remaining human rights is just an illusion, Robaina added.

There are those who want to impose rights, or what they believe to be rights, by conditioning aid for development, bank loans, a most-favored-nation clause, or a vote in the United Nations, Robaina emphasized.

During his speech before the plenum, Robaina stressed that the real nongovernmental organizations (NGO's) represent the consciousness of human rights, and respond to the true interests and needs of the people, always seeking to help them, never to enslave them.

Abroad and in Cuba there are NGO's which encourage and carry out solidaristic, humanitarian, cooperative, and other kinds of actions, with full respect for sovereignty and national identity.

In that group, Robaina referred to the eternal Cuban gratitude for the U.S. organization Pastors for Peace, whose members have been fasting for 50 days to demand that the medicinal aid destined for Cuba, which was seized, be returned to them.

"To them, and to the world, we reaffirm that we will go forward along the path of changes we have sovereignly undertaken to make our economy more solid and viable, perfect our socialist democracy, and continue to guarantee our people the enjoyment of all human rights," Robaina concluded.

Cuba: Robaina on 52d Session of Human Rights Commission

PA1204225596 Havana Radio Rebelde Network in Spanish 1700 GMT 11 Apr 96

[Report by Zenaida Costales from the "National Radio News" newscast]

[FBIS Translated Text] Foreign Minister Roberto Robaina today spoke to the delegates of more than 100 governments and a large group of nongovernment organizations attending the 52d Session of the Human Rights Commission taking place in Geneva, Switzerland. Zenaida Costales reports.

[Costales] Foreign Minister Robaina denounced the manipulation and politicization of human rights by the powers of the northern hemisphere and the level of confrontation promoted by some of those powers. Robaina also condemned the U.S. policy against Cuba, particularly the Helms-Burton law, which was approved in the United States recently. Robaina said this legislation constitutes the most cruel violation of the right to life of 11 million human beings.

On the effect Cuba's participation has had in this session, the minister spoke to "Doing Radio" this morning:

[Begin Robaina recording] The first thing we have noticed is an impressive attendance. The second thing we have noticed is an impressive silence that indicates the delegates are paying attention to Cuba's remarks. We are still receiving many expressions of support and recognition of Cuba's position, starting with the UN human rights secretary, the high commissioner, and the president of the [word indistinct]. We also have received strong support from the delegations of Mexico, Canada, Spain, Germany, Nicaragua, Peru, Colombia, Malaysia, Pakistan, Uganda, Venezuela, and Morocco. We know our position has met with a warm reception. We are also moving along a process of discussion and bilateral meetings. [end recording]

[Costales] Before returning to Havana, Robaina granted interviews to the accredited press and met with businessmen and political figures attending the session.

Cuba: Helms-Burton Law Said 'Mockery' to Human Rights

PA1304180196 Havana Cubavision Network in Spanish 0000 GMT 11 Apr 96

[From the "NTV" newscast]

[FBIS Translated Text] Cuban Foreign Minister Roberto Robaina stated today in Geneva that the northern powers are manipulating and politicizing the human rights issue, to exert pressure over sovereign countries.

Robaina denounced the controversy promoted by some countries in the UN Human Rights Commission, which conspires against the human rights' cause itself. He added that the monstrous U.S. Helms-Burton law is an open mockery to the most sacred postulates of international law and constitutes the most cruel violation to the right to life of the Cuban people.

In addition, Robaina denounced the existence of sinister power groups trying to lead Cuba and the United States into a clash of larger scope and unforeseen consequences. He also reiterated Cuba's will to talk and negotiate any issue of common interest with the United States, based on mutual respect.

Cuba: Official Details Human Rights Resolution

PA1404041296 Havana Radio Havana Cuba in Spanish 0000 GMT 12 Apr 96

[Report by Barbara Betancourt from the "Evening Information Review" newscast]

[FBIS Translated Text] I have established contact with Abelardo Moreno, director of multilateral affairs at the Cuban Foreign Ministry, who will give details about a resolution that was just passed during the 52d Session of the Human Rights Commission in Geneva.

Moreno, I would like some details, because the information we have received so far is vague.

[Begin live relay] [Moreno] This is a draft resolution that was presented at the Human Rights Commission in the past few years but has experienced some changes regarding the adoption of unilateral, coercive measures by developed countries against developing countries. This draft resolution was originally Cuban but was endorsed and presented by the Nonaligned Movement [NAM] this year; hence, the proposal's co-authors have been the NAM, members and observers of the Human Rights Commission, and (?Chile).

The text of the draft resolution rejects the application of all types of unilateral coercive measures against developing countries and asks governments to refrain from adopting these measures, particularly those extraterritorial in nature. The resolution truly reflects the actions developed countries have been taking against Third World countries and, of course, reflects the U.S. Government actions, particularly the Helms-Burton law, against Cuba.

[Betancourt] I have been told this document is in full agreement with what NAM agreed in its most recent summit held in Cartagena de Indias.

[Moreno] Yes. I would go a little further and say the document agrees with not only what the movement decided in its most recent summit but with both a resolution on unilateral coercive measures the UN General Assembly [UNGA] adopted in its 50th period of sessions and a statement that NAM's Coordination Bureau released in New York barely three weeks ago on the signing into law of the Helms-Burton bill by the U.S. President. There is another very important element also. The draft resolution not only was presented by NAM this year but received eight more votes this year.

[Betancourt] I was about to ask about the development of this subject in the commission.

[Moreno] The development is very favorable. As I said earlier, there were eight more votes this year; that is, three less votes and five less abstentions. You see, the three less votes and the five less abstentions add up to eight more votes to the number of favorable votes. The voting pattern, which would be too complex to explain here, more and more indicates a North-South polarization of this problem. While the majority or nearly all the countries of the Northern Hemisphere voted no, nearly all the Southern Hemisphere countries voted in favor of the NAM proposal.

[Betancourt] I would like to take advantage of this opportunity to ask you about other resolutions and the development of this 52d session of the Human Rights Commission, for instance, a draft resolution on the restructuring of the Human Rights Center in Geneva which Cuba will present and NAM will endorse.

[Moreno] Cuba has had several draft resolutions in store for this commission's period of sessions. There is no doubt that the Human Rights Center needs to be restructured, because it can be devoted to not only a part of human rights and civil and political rights but must also have structures, resources, and organization to devote itself to economic, social, and cultural rights, particularly to the problems related to the right to development, which is the sense of this proposal that NAM will introduce shortly within the framework of the commission.

[Betancourt] Based on the surveys and how the vote behaved this time, what chances does this proposal stand?

[Moreno] We are optimistic, but it would be very risky for me to make predictions. Frankly, I do not like at all to make such predictions in public, but we are optimistic about the result of this draft resolution.

[Betancourt] Would the commission also consider something that has become mundane in recent years; that is, U.S. moves against Cuba regarding human rights? I understand that the special rapporteur's report also will be presented. Finally, the [words indistinct] the United States has been filing against Cuba on this matter.

[Moreno] Yes. The U.S. delegates have circulated a draft resolution in more or less the same language as last year's proposal, which has been fully rejected, as you know. We expect this Yankee move against Cuba to remain bogged down.

[Betancourt] Back to the first subject, I would like a comment on this resolution that has just been passed on the unilateral and coercive measures and on the higher number of votes in favor you mentioned. Do you think this situation also has been caused by the United States' ignoring all the draft resolutions approved in the UN General Assembly against the anti-Cuba embargo?

[Moreno] I have not the slightest doubt, but we are not only dealing with the United States' ignoring the resolutions against the embargo but with the resolutions on this same topic that has been approved for years. In addition, I think the passing of the Helms-Burton law is also linked to this remarkable improvement in the number of votes in favor because this leads to a greater international awareness of the injustice and immorality of these types of measures. [end live relay]

Cuba: U.S. Said To Frequently Use Excessive Force

PA1404032796 Havana PRENSA LATINA in Spanish 1553 GMT 13 Apr 96

[FBIS Translated Text] Havana, 13 Apr (PL) — The U.S. Government frequently uses "excessive use of force," inside and outside its territory, to impose its goals, charged an article published in today's edition of GRANMA.

According to the article, published on the newspaper's central page, Washington has ordered a threatening military deployment following last February's downing of two pirate lightplanes in Cuban jurisdictional waters.

Tens of combat F-5 airplanes and an equal number of F-16 airplanes were flown in early March to the Homestead Air Force Base in Florida where there are usually another 20 warplanes, stated the commentary written by Division General Jesus Bermudez Cutino. He added that each one of these airplanes can carry from five to eight tons of various kinds of weaponry, particularly bombs and air-to-air rockets.

In his article, Bermudez noted the establishment of an air command post in the Straits of Florida tasked with effectively guiding combat aviation, which is compounded by the mobilization of the Navy to boost defense in the face of an alleged action by Cuban naval forces.

Two cruising vessels, one of them of the CGN-40 type with a capacity for over 70 rockets of various kinds, and a Navy frigate as well as two Coast Guard vessels sailed for several days on Florida waters, Bermudez said. "The (U.S.) President has declared a national emergency to have at his disposal the resources he might need for "God knows" what, and "one overzealous official has threatened to bring airplane carriers to areas close to Cuba, as if they had ever stopped doing that in the past 35 years," he added.

The source cited other examples of the excessive use of force by the U.S. Administration, including the police operation against the "Davidian Compound" in Waco, Texas, on 19 April 1993, where 80 people died. On that occasion, GRANMA explained, the Federal Bureau of Investigations (FBI) surrounded the Davidian sect members with sharpshooters, five modified M-60 tanks, and M-2 Army infantry combat vehicles, among other materiel.

He also recalled the recent beating of illegal Mexican immigrants by U.S. policemen, reminiscent of the "Rodney King case," televised worldwide days ago.

"The victims of the Waco massacre, blacks, and immigrants whose rights are being constantly violated," Bermudez added, "have not had the opportunity to summon the UN Security Council or to go to the Human Rights Commission."

In his final paragraphs, the division general affirmed that U.S. authorities could care less if men, women, and children are killed for the sake of Washington-style democracy and law, much less if it is to impose its political system on Cuba.

To achieve its objective regarding this island, "they have encouraged and exaggerated one or another pseudo-conflict [seudoconflicto] in recent years. In sum, as the song goes: "Who cares about one more," he said.

Cuba: Mexican Daily on Threat of U.S. Military 'Buildup'

PA1404202996 Havana Radio Reloj Network in Spanish 1930 GMT 14 Apr 96

[FBIS Translated Text] Mexico's LA JORNADA daily said today that the U.S. military buildup near Cuba [la concentracion de fuerzas militares norteamericanas en las cercanias de Cuba] threatens all Latin Americans and their right to self-determination.

LA JORNADA's editorial notes that the U.S. military takes the view that Cuba is not Haiti and warns that any U.S. military aggression would lead to a long and bloody conflict with repercussions throughout Latin America.

Press reports have assured that U.S. military leaders try to exercise caution when addressing this problem; this alone is not guarantee enough, as long as the military continues to hold back on its list of targets.

The newspaper suspects that these circles believe that appearing as victims of the intransigence of others and forced to wage war against their will is a good tactic and describes their statements as lacking credibility.

LA JORNADA warns that there is no guarantee that Cuba will not be attacked since even the Pentagon is vulnerable to pressure from the powerful political and arms industry establishment, which can push them into adventures.

LA JORNADA and other Mexican newspapers on 14 April reflect on yesterday's report in GRANMA INTERNATIONAL, in which Division General Jesus Bermudez Cutino denounced the large U.S. military buildup in Florida.

Cuba: Economy Minister Meets SRV Commerce Minister

PA1304033496 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 10 Apr 96

[Report by Nestor Pardino; from the "NTV" newscast]

[FBIS Translated Text] Vietnamese Commerce and Tourism Minister Le Van Triet has visited the Jaguey Grande citrus area and has met with Economy and Planning Minister Jose Luis Rodriguez.

[Nestor Pardino] In the morning, Le Van Triet was briefed on the features and plans of the Jaguey Grande citrus area. In the afternoon, Le Van Triet and his delegation received a detailed explanation of Cuba's economy and the strategy the government has implemented for its recovery. Both sides talked about the experiences of the economic adjustment process with a view to strengthening their respective socialist systems.

During the talks, Le Van Triet once more received the gratitude of the Cuban people for the gestures of solidarity Vietnam has made toward Cuba. Le Van Triet reiterated Vietnam's will to strengthen the friendly ties uniting it to Cuba.

Cuba: Banking Relations With SRV To Increase

PA1204134596 Havana PRENSA LATINA in Spanish 1055 GMT 10 Apr 96

[By Roberto Gili]

[FBIS Translated Text] Hanoi, 10 Apr (PL) — The exchange of experiences between the National Bank of Cuba (BNC) and the Vietnamese State Bank (BEV) will increase as a result of the talks the top executives of the two nations' banking sectors held until today.

"The contacts between the two banks will continue. We have agreed that there are matters of mutual interest upon which specialists of the two institutions will debate," BNC Minister-President Francisco Soberon told PRENSA LATINA.

The high-ranking Cuban official on 10 April ended a six-day visit to Vietnam, during which he met with BEV Governor Cao Si Kiem, as well as BEV executives and specialists at the national level and at the level of the central and southern provinces.

Soberon reported that "the exchanges will continue to broaden the issues we discussed. We identified likely areas of interest on which to continue to talk with national commercial banks."

"Taking into account the time in which this visit is taking place, which coincides with the reorganization of our banking system, our stay here has a particular interest for us," the BNC official added.

"There is no doubt that Vietnam," he went on, "has been successful in everything it has done; we are analyzing the experience that could be useful to us, and its experience in banking reorganizations is very valuable."

Soberon arrived in this capital on 4 April upon completing a tour of European countries, which included Belgium, France, and Italy.

Prime Minister Vo Van Kiet, who stressed to the visitor his government's spirit of cooperation and resolve to keep the traditional solidarity with the island, welcomed the BNC president in Vietnam.

BNC Deputy Director Sergio Placencia accompanied Soberon, who visited the provinces of Quang Nam-Da Bang and Thua Thien-Hue, as well as Ho Chi Minh City (formerly Saigon), from where he departed for Cuba.

Cuba: Ministry on Slow Sugar Planting, Record Shipment

PA1404225996 Havana PRENSA LATINA in Spanish 0550 GMT 10 Apr 96

[FBIS Translated Text] Havana, 10 Apr (PL) — Sugar production in Cuba continues advancing at a daily rate of more than 40,000 tons per day. However, sources from the Sugar Industry Ministry [Minaz] reported today that the planting of sugarcane for the upcoming harvest is very much delayed.

The final objective is to plant 197,045 hectares in the spring (from January through June). Of this amount, 67,516 hectares should be planted by 30 April. This will make it possible to produce the required amount of sugarcane that will be cut during the upcoming harvest. Twenty days before the work ends for this month, only 48 percent of the estimated number of hectares have been planted thus far.

The Minaz reported, however, that 92 percent of the total land that should be planted has been plowed already. In addition, the provinces of Sancti Spiritus, Santiago de Cuba, Holguin, Guantanamo, Matanzas, and Havana have already exceeded their plowing goals.

A record of 37,000 tons per day were shipped at bulk sugar shipping terminals throughout the country in the past 10 days, Minaz officials said.

Cienfuegos and Guantanamo do not have any sugar left at their depots, which underscores the high level of efficiency in this activity.

Referring to the production of by-products, it was reported that alcohol production in the last 10 days totaled 50,057 hectoliters in the 12 distilleries that belong to the Minaz.

The lack of molasses to manufacture alcohol has prevented the delivery of this product to the population as cooking fuel. According to the sources, the quarter with the highest production of this distilled product is April-June, when they expect its manufacture will be stabilized.

They said Cuba will not export alcohol until it fulfills internal demand.

Cuba: Armed Forces Official Concludes Talks in Russia

PA1304180396 Havana Cubavision Network in Spanish 0000 GMT 11 Apr 96

[From the "NTV" newscast]

[FBIS Translated Text] On 10 April, Division General Julio Casas Regueiro of the Cuban Revolutionary Armed Forces concluded talks with Russian military authorities in Moscow.

Casas presided over a Cuban military delegation, which conducted a three-day working visit in Russia. During his stay, Casas met General (Mikhayl Kolesnikov), chief of staff of the Russian Defense Ministry, and several businessmen.

Cuba: Over 80 Percent of Juragua Nuclear Plant Completed

PA1304033596 Havana Radio Rebelde Network in Spanish 1700 GMT 9 Apr 96

[From the "National Radio News" newscast]

[FBIS Translated Text] Over 80 percent of the maintenance program of the Juragua Nuclear Plant has been carried out during three years of work. This work is necessary to guarantee the goals of the project and, therefore, to conclude the largest construction endeavor of the century in Cuba. Correspondent Mireya Ojeda reports.

[Ojeda] The work force of the Juragua project is working with great dedication at the job site itself and in other places in Cuba. The members of the work force are ready to resume their work when needed, despite an increase in the United States' anti-Cuban campaign targeting the nuclear plant situated in Cienfuegos. On this issue, (Pedro Ivan Toso), an engineer and the plant's assistant operations manager, has made the following statements:

[Begin (Toso) recording] There are specific articles referring to the Juragua Nuclear Plant in the Helms-Burton law, but this is merely a political maneuver as in the past. This maneuver is one against our country, because everyone is well aware of what the plant's startup would mean to our country's economy. Behind this campaign are no real technical concerns or reasons; it is all part of a larger campaign that persists against our country stronger than ever before. [end recording]

Cuba: Experimental Sugar Combines Tested in San German

PA1304180296 Havana Radio Rebelde Network in Spanish 1155 GMT 11 Apr 96

[From "Doing Radio"]

[FBIS Translated Text] Field tests of two new sugar combine prototypes have begun in sugarcane fields at the Urbano Noris Agro-industrial Complex. These hydraulic combines are models of a new generation of experimental machines.

The as yet unnamed new combines are based on the KTP-2M model, and were built thanks to the close collaboration between the Agricultural Machinery Development Center [CEDEMA], and the 60th Anniversary of the October Revolution enterprise.

Reynaldo Jaramillo, director of the Cuban agricultural machinery factory, stated that the tests are being conducted in southern San German, in fields producing an estimated 70,000 sugarcane arrobas per caballeria. Jaramillo added that testing of the prototypes, of which several more will be built this year, mark a very important achievement in the constant improving of the combines.

Cuba: Minister Says Cruises to Nation at 'Good Pace'

PA1304223296 Havana PRENSA LATINA in Spanish 2252 GMT 11 Apr 96

[By Roberto F. Campos: "'Cruises' Are Doing Well in Cuba, Minister Says"]

[FBIS Translated Text] Havana, 11 Apr (PL) — "Cruises" to this island are going at a good pace, and there are plans to set up soon a new itinerary that may be more favorable to passengers, Tourism Minister Osmani Cienfuegos said today.

Local authorities are selecting from three proposed routes, taking into consideration the opinion of "cruise passengers" who would like to stay at sea longer, the official said.

It was announced recently that the Italian Costa Crociere Company, with which Cuba (in a joint venture with Cubanco) conducts business, is experiencing some management problems, but Cienfuegos affirmed that this situation has no repercussions on the development of cruise trips to the largest island of the Antilles.

The ship Costa Playa presently calls on Puerto Plata (the Dominican Republic) Santiago de Cuba (the island's eastern region), Montego Bay (Jamaica), the Bay of Havana, and northeastern Rada de Ni Pe, Holguin Province. This cruise ship has a capacity for 480 passengers and began its tours last December with a favorable rating mostly from Germans, Italians, Spaniards, Argentines, and Brazilians.

The tourism minister added that the Cuban experience with cruise ships takes into consideration the businesses of this nature in the Caribbean Basin; thus, its dealings with Costa Crociere entail a longer stay by passengers from that country and, therefore, a greater financial infusion.

During a news conference, Cienfuegos added that the construction effort to benefit tourism will make it possible to complete 5,000 new rooms this year.

An offensive was launched recently to resolve the problems in the construction sector, which gave rise to commitments by the workers to conclude their programs on time.

Cuba finished 1995 with a 19.6 percent increase in the number of visitors. A 50 percent increase in this index was already registered during the first three months of this period compared to the same period last year.

From last January to March, more than 297,000 tourists visited the island (over 197,000 tourists came in 1995 during this same period), the official said.

"These figures reveal that we expect to finish the year with 1 million foreign vacationers although our goal is to handle 900,000 travelers in 1996," he said.

He identified the countries from where most of the tourists come as Canada, Italy, Germany, Spain, and France, in that order. Mexico, which held a high place until a few years ago, is now eighth although there has been a recovery of over 25 percent and a significant growth in the last month (163.8 percent), he said.

Cienfuegos reiterated that 1,500 rooms are now managed under the joint venture system and that 4,500 rooms are under construction, particularly in Havana and the tourist hot spots of Varadero (a seaside resort approximately 140 km east of Havana) and Cayo Coco (in the country's northern section).

The minister said 60,000 people are now directly employed by this industry because tourism is booming in Cuba, and a similar number is in the construction of tourism related-projects. He added that 15,000 Cubans are working for civilian airlines, the growth of which is also owed to tourism.

Cienfuegos added that 30 percent of the gross earnings (1.1 billion [currency not specified]) in 1995 amount to profits. For every dollar invested, approximately 32 cents can be declared as dividends, he said.

"Revenues per visitor, or what a tourist spends except for his travel transportation costs, averages $90 a day. Approximately 45 percent of travelers are repeat visitors, although this rate is based on a survey reflecting actual repeat visits and the desire to return."

Addressing a question on the competition privately owned restaurants and cafeterias could pose on state run establishments, Cienfuegos said it is all part of a logical process that forces the quality of services to improve.

Asked about corruption and prostitution around the hotels, he said that strong measures are being implemented and that these types of crimes have fallen recently.

Cienfuegos reasserted the official policy of rejecting business proposals for casino gambling. Regarding the so-called Helms-Burton law, which intensifies Washington's economic pressures against Havana, he said the law has not affected his ministry yet. "On the contrary, you can see that some foreign investors have even tried to speed up their business dealings with us," Cienfuegos said. In addition, he said the worldwide rejection of that law has, apparently, sparked an even greater interest in visiting Cuba.

Cuba: Health Minister Discusses Trip to U.S., Mexico

PA1304162296 Havana Radio Havana Cuba in Spanish 0000 GMT 12 Apr 96

[Report by Susana del Calvo from the "Evening Information Review" newscast]

[FBIS Translated Text] The following are statements from Cuban Public Health Minister Carlos Dotres made to the media upon returning from a trip to the United States and Mexico:

[Begin Dotres recording] Our objective was to make contacts in the United States — in Washington and New York — with UN organizations involved in health programs to explain the strategic position of Cuba's public health policies. In these times, their political content has not changed; neither has their principle of being a free and encompassing public health system to which the entire population has access. Basically, it is based on the care and promotion of health. Cuba's health indicators are notable. First, I believe that they constitute one of the two aspects one can point out as part of the statistics on the acknowledgment of the efforts of the political resolve of the country, the Cuban Government, and all the organizations, despite our economic conditions. Our system constitutes a privilege.

Second, the possibilities Cuba has, its experience, its health development from the standpoint of the medical-pharmaceutical industry, health technology, medical technology, medical equipment, and others are another aspect, as are the possibilities Cuba has in the Latin American context to offer projects that could be beneficial for the health development of other countries.

In this regard, we visited the Pan-American Health Organization, UNICEF, the Population Fund, and the Development Fund and discussed various aspects. Despite the economic crisis, which the UN system is also experiencing, these institutions have the willingness to support the Cuban public health policies. Our projects range from maternal and infant health to nutrition and primary health care, especially in hospitals. This is what our main strategies constitute. This UN system supports them, not only from a moral standpoint, but also from the standpoint of the budget, financial aid, budgetary activities, and the allotment of financial resources to certain projects of our health system.

In addition, we had the great honor and the great opportunity to contact Pastors for Peace in Washington and New York, especially Reverend Lucius Walker, with whom I met. Our permanent representative at the United Nations, comrade Bruno Rodriguez, also participated in this meeting. I was able to observe Walker's current health state; he has lost a great deal of weight. [end recording]

Cuba: Castro Visits Sugar Complex, Granma, Meets CBS Crew

PA1304140296 Havana Radio Havana Cuba in Spanish 0000 GMT 12 Apr 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Cuban President Fidel Castro visited the Bartolome Maso Agro-industrial Sugar Complex in eastern Granma Province, where he congratulated workers in that center for being the first in the territory to fulfill the sugar production goal for this harvest. The first secretary of the Communist Party of Cuba gave a statement in recognition of this agro-industrial complex's workers. In addition to fulfilling their pledges, they have already accumulated additional contributions that surpass expectations.

Fidel Castro explained the main characteristics of the sugar production process to a group of executives and journalists from the U.S. television station, CBS. The Cuban president later carried out an ample tour through the territory, located on the Sierra Maestra, and he visited important historical sites that served as the venue for various actions of the insurrectional struggle before the triumph of the revolution in January 1959.

The Cuban president visited rural communities, tourist zones, schools, and medical centers created in the mountains, where he talked with local residents and inquired about various aspects of daily life in the region.

Cuba: Alarcon on Importance of People's Participation

PA1304135396 Havana Radio Rebelde Network in Spanish 1155 GMT 12 Apr 96

[From the "Doing Radio" newscast]

[FBIS Translated Text] Ricardo Alarcon De Quesada, president of the Cuban parliament, has reiterated the importance of obtaining more participation from the people in exercising power as a way of improving the system of government in our country.

In a letter addressed to the presidents and delegates to the provincial and municipal assemblies of the People's Government, Alarcon De Quesada, who is also a member of the Politburo of the Central Committee of the Communist Party of Cuba, particularly emphasized the process by which those elected report to those who elected them.

He explained that each province will have to plan, organize, develop, and control the neighborhood meetings. In his letter, he encouraged supporting by all means the dialogue between the delegate and the masses, as well as guaranteeing the participation of the administrative officials in each one of the assemblies.

Cuba: Foreign Ministry Official on Human Rights Resolution

PA1304152196 Havana Radio Rebelde Network in Spanish 1155 GMT 12 Apr 96

[Report by journalist Zenaida Costales in Havana from the "Doing Radio" newscast — passages within quotation marks are recorded]

[FBIS Translated Text] The resolution recently approved by the Human Rights Commission, which asks states to abstain from enforcing unilateral measures, particularly those of a coercive nature with extraterritorial effects, has had a great repercussion in the media.

Many agencies have offered their version on this issue. In fact, they said there is no doubt that the commission joined, although not in an explicit manner, other international voices that have stated their opposition of the blockade and the Helms-Burton law.

Referring to the issue, this reporter talked on the telephone with Abelardo Moreno, director of multilateral affairs at the Cuban Foreign Ministry.

[Moreno] "Well, the approved resolution does not mention the Yankee blockade against Cuba and it does not mention the Helms-Burton law, but if you read the text of the resolution, it is an exact likeness. Among other things, this resolution first rejects the enforcement of coercive unilateral measures against Cuba. What is the blockade and what is the Helms-Burton law except a coercive unilateral measure?

"Likewise, the states are asked to abstain from enforcing coercive unilateral measures, particularly those of an extraterritorial nature. I believe none is more extraterritorial than the Helms-Burton law.

"Moreover, I believe the Cuban foreign minister's visit to Geneva and his address to the Human Rights Commission yesterday undoubtedly had a very positive impact, not only on the approval of this text, but also on the voting trend obtained at the same."

It would be important to mention that the resolution was issued hours after Cuban Foreign Minister Roberto Robaina addressed the commission's plenum and reported that the blockade against the island has been strengthened.

Cuba: Office of U.S. Adviser for Cuban Policy Eliminated

PA1504035596 Havana Radio Havana Cuba in Spanish 0000 GMT 13 Apr 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Next Monday, Richard Nuccio, national U.S. adviser for Cuban policy, will cease his functions at his own request. According to official sources, he will return to the State Department to a position yet to be determined.

Nuccio had designed, since May of last year, the White House's strategy toward Cuba. The disappearance of his position is interpreted, in diplomatic circles in Washington, as a signal to the Havana Government that things will not change in the near future.

In March, President William Clinton signed the Helms-Burton law, which seeks to internationalize the blockade that the United States has maintained against Cuba for more than three decades.

Cuba: Health Cooperation Agreement Signed With Mexico

PA1304163696 Havana PRENSA LATINA in Spanish 0044 GMT 13 Apr 96

[FBIS Translated Text] Havana, 12 Apr (PL) — Cuba and Mexico today signed a cooperation agreement on public health matters, and this agreement will promote an exchange of similar technologies and cooperation in the training of health professionals.

Public Health Minister Carlos Dotres signed the document for the Cuban side, while Manuel Aguilera Gomez, Social Security and Services Institute for Government Workers (ISSSTE) director general, signed for the Central American nation. [sentence as received]

Aguilera arrived in Havana on 10 April heading an ISSSTE delegation and so far has met with officials of the ministers of labor and construction materials and with the head of the Foreign Investments Ministry, Ibrahim Ferradaz.

The Mexican official said that the ratification of this agreement is evidence of the political resolve of his government to broaden the close ties between the two peoples, adding that he will make the cooperation mentioned in the agreement a reality.

Mexican Ambassador to Cuba Claude Heller, state and diplomatic officials of the two countries, and other members of the ISSSTE delegation, which will end their visit to the island on 14 April, also attended the event.

Cuba: Castro Visits Bay of Pigs With CBS Crew

PA1404032696 Havana Radio Havana Cuba in Spanish 1300 GMT 13 Apr 96

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Cuban President Fidel Castro visited the Playa Giron zone, in the western Cuban province of Matanzas, on 12 April accompanied by journalists and executives of the U.S. television station CBS.

At the museum safeguarding objects and documents associated with the Bay of Pigs mercenary invasion, the Cuban president offered details of the military operations that culminated with the Yankee imperialism's first military defeat in Latin America.

The leader of the Cuban revolution visited the University of Havana the afternoon of 12 April. Castro gave CBS details of the statue at the alma mater, Agramonte Square, the assembly hall, and the law school, the same one where he studied.

During a meeting with university students and workers, the president of the Cuban Councils of State and Ministers asked about the courses attended by the students, who used the opportunity to reaffirm their unrestricted support to the revolution.

Cuba: Foreign Minister Returns From Europe

PA1404123296 Havana Radio Havana Cuba in Spanish 1300 GMT 13 Apr 96

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Cuban Foreign Minister Roberto Robaina has returned to Havana following the 52d session of the UN Human Rights Commission, during which he described the Helms-Burton law as the cruelest violation of the right to life. Marianela Ferriol, a Cuban Foreign Ministry spokesperson, has termed Robaina's address in Geneva a clear accusation of renewed U.S. aggression against Cuba. The Cuban foreign minister made a technical stopover in Paris, where he held a meeting with UNESCO Director General Federico Mayor that French media have described as empathetic and friendly. Robaina and Mayor valued the efforts of the country and Cuban leaders to give the people on the island high spiritual and ethical values and profound sentiments of solidarity.

Cuba: Commentator on 'Flexibility' of Democratic Practices

PA1404131096 Havana Radio Rebelde Network in Spanish 1700 GMT 13 Apr 96

[Commentary by Susana Tesoro; from the "National Radio News" program]

[FBIS Translated Text] The enemy argues through propaganda that there is no democracy in Cuba. Reactionary groups living in our well-known neighbor to the north are often the source of such arguments. We must remember that our democracy relies on the people's mass participation in government efforts to help us keep track of how our democracy is progressing. There was a 97.1 percent voter turnout in the 1995 elections. Those elected to government posts do more than just attend assembly sessions or work in their offices: The process whereby delegates submit progress reports to their constituents will soon get underway in certain provinces. These neighborhood meetings are not simultaneously held nationwide but only when each community needs it and decides it. The flexibility of holding meetings in smaller areas — in the neighborhood rather than in the community — strives to make voters' proposals more in accordance with the community's needs. The process to perfect Cuba's socialist society is an essential goal for which we strive each day. It is determined by the dynamic relationship between voters and elected officials, because they share the same problems and goals. The economic needs and enormous tasks that the country faces must not lead us to neglect our rich and original experience of democracy even for a single moment.

Cuba: Plant Repairs Complete; Propane Gas Supplies Improve

PA1404145496 Havana Radio Rebelde Network in Spanish 1700 GMT 13 Apr 96

[Report by correspondent Demetrio Villaurrutia; from the "National Radio News"]

[FBIS Translated Excerpt] Higher crude oil import figures during the first quarter of the year, coupled with the completion of major repairs on the Nico Lopez refinery's plant number 1, are allowing for a steady supply of liquid propane gas to meet the population's needs:

[Begin Antonio Canto, assistant maintenance director at the Nico Lopez refinery, recording] The plant must fulfill its production plan. The plant's primary goals are to maintain kerosene and diesel supplies to Havana City and supplies to the catalytic cracking [craqueo catalitico] plant, which is very important as the plant produces all of the liquid propane gas found in Cuba. It also produces high octane gasoline and earns the refinery much in profits. [passage omitted] [end recording]

The Nico Lopez refinery's plant number 1 is ready to refine all the crude oil that reaches its facilities. The success of that activity is guaranteed, even though minor details with regard to major repairs at the plant have yet to be worked out. These are satisfactory results in the production of liquid propane gas for the population. [passage omitted]

Cuba: Lage on Need for Larger Agricultural Work Force

PA1404130096 Havana Radio Havana Cuba in Spanish 0000 GMT 14 Apr 96

[From the "Evening Information Review"]

[FBIS Translated Text] Cuban Vice President Carlos Lage has said that reorganizing the work force and improving living conditions for rural workers could help boost the agricultural work force. Lage stressed after reviewing the employment picture in Granma Province that efforts to draw more workers into the agriculture sector must be ongoing. He said that there are as many jobs available as there are parcels of idle land. The Cuban Communist Party Politburo member has encouraged Agriculture Minister Alfredo Jordan to push for more tobacco plantations in Granma Province during the next campaign. He also said that the province must guarantee more than 90 percent of the jobs within its current needs in the agriculture sector.

Cuba: Workers Discuss Expectations on 17th CTC Congress

PA1404214996 Havana Radio Havana Cuba in Spanish 0000 GMT 14 Apr 96

[Report by Susana del Calvo; from the "Evening Information Review" newscast — passages within quotation marks are recorded]

[FBIS Translated Text] The 17th Congress of the Central Organization of Cuban Trade Unions [CTC] will take place in April. A single labor union has existed in Cuba for over half a century. Its meetings are held every four or five years. We are talking about the Congress. Meetings begin at local level until the main event is held.

The 17th Congress will be held on 27 April, when sessions will begin at the Palace of Conventions in Havana, and it will end with a grand parade on 1 May at Revolution Square. Let us hear some of the opinions of people who expect [words indistinct].

[Angel Villareal] "Really, there is a lot of expectation about the Congress. I hope that all the basic issues about our economy, both from the political and economic viewpoint, will be discussed. Right now the congress can be an important contribution to our social plan, economy, and country. Once more, it is also [word indistinct] part of the majority support from our working class to the revolution, Fidel, the party; and progress will be achieved."

[Felicia Cedeno] "I expect the Congress to conduct an in-depth analysis. I expect labor leaders and delegates who represent the workers at the congress will participate with new plans, analyze each topic, and seek the necessary solution to each issue — but with a realistic attitude, with a sound attitude, rather than simple slogans and applause. We want to thoroughly analyze each issue brought up there."

[Rodolfo Jimenez Polanco] "Well, I expect our working class will be able to strengthen and ratify its conviction about the road we are building. This is an important opportunity for the working class to state — guided by a clear and profound reflection rather than by enthusiasm or anything like this — that we are indeed on the right road, a Cuban road, designed despite the complex situation we currently face. I also expect our congress will shed more light on the way we can travel along that road; what are the things that the situation demands from the labor movement and the Cuban working class. I believe that we will also have the opportunity to use that guidance to strengthen our conviction that the most important thing for the Cuban working class is to keep protecting the achievements, above all the main achievement, meaning revolutionary power, the working class' power. We must assimilate what the current situation and the future demand, but based on state hegemony and the state's rule, and the majority participation of the working class in the basic decisions adopted in our country."

Cuba: Raul Castro Calls for Armed Forces Self-Sufficiency

PA1404181496 Havana PRENSA LATINA in Spanish 1447 GMT 14 Apr 96

[FBIS Translated Text] Havana, 14 Apr (PL) — Raul Castro, Cuban Revolutionary Armed Forces [FAR] minister, has said that the reserves and the militia must continue to be trained in the spirit of maintaining and strengthening the country's defenses.

AIN today carried a version of the minister's recent address to this organization's national council [consejo nacional], during which the Eastern Army was identified as the military force having made the most progress nationwide.

Raul Castro called for perfecting methods and procedures for maintaining technical resources and for swiftly and safely making them available in combat situations.

One highlight of the report to the council included praise for the so-called Youth Labor Army [EJT], specifically for its efforts not only to produce but also to complete defense-oriented tasks and for its support of the state's food program.

The minister said that the EJT has demonstrated that it is an efficient force for socialist state production that does not neglect the country's defenses. He said that this force has made increasingly significant contributions to the Cuban economy in recent years.

He added: This force must continue exploiting its potential to further enhance its results.

Minister Raul Castro said that the FAR's overall agricultural and livestock production must not stop at the level of satisfying the needs of the military units but must continue increasing production considering the importance the food program has for all the people.

Raul Castro called for the FAR to be financially self-sufficient, stressing that this is a dream that can come true.

The FAR's work over the past 10 years was reviewed and discussed. Discussions covered all FAR units, fighters, and civilian workers.

The report presented to the council addressed matters related to combat training, the individual training of soldiers, measures for vocational training and professional orientation, and the military training centers' selection procedures.

Cuba: Politburo Members' Activities Through 11 Apr

PA1204125896

[FBIS Report] The following is a compilation of reports on the activities of Cuban Communist Party Central Committee Politburo members monitored through 11 April.

General Raul Castro, minister of the Revolutionary Armed Forces, FAR, congratulated the Central Army on the occasion of its 35th anniversary. His letter stated that the date is commemorated by everyone because each fighter has contributed with effort and sacrifice to preserve the revolution. (Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 5 Apr 96)

Agriculture Minister Alfredo Jordan reiterates that the ministry looks on favorably to all programs that contribute to the development of agricultural and cattle-raising education among children. He also said that his ministry backs a movement to create vegetable gardens in schools and the so-called pioneer youth countrysides. (Havana Radio Rebelde Network in Spanish 1255 GMT 5 Apr 96)

General Raul Castro, second secretary of the Communist Party of Cuba and minister of the FAR, decorated on 4 April five young fighters from the Minint, Interior Ministry, and the FAR with the Jose Antonio Mella Order and 10 outstanding work centers with the UJC, Union of Young Communists, honor banner. (Havana Radio Rebelde Network in Spanish 1800 GMT 5 Apr 96)

Pedro Ross Leal, secretary general of the Cuban Workers Federation, CTC, will be part of the Cienfuegos delegation that will participate in the 17th workers' congress to be held between 27 April and 1 May. This delegation comprises 90 workers and union leaders. (Havana Radio Rebelde Network in Spanish 1800 GMT 6 Apr 96)

Pedro Ross Leal presided over a meeting in Las Tunas Province where 96 delegates were selected for the upcoming 17th CTC congress. Ross Leal said that the congress' highlight will be the 1 May parade, which "will be a great revolutionary and patriotic demonstration, which will be held throughout the country." (Havana Radio Rebelde Network in Spanish 0100 GMT 7 Apr 96)

Jose Ramon Machado Ventura, vice president of the Council of State and member of PCC central committee, headed a delegation that visited 11 municipalities in Holguin Province. Machado Ventura said that isolated communities need more visits by cadres, personal conversation, and words of understanding, solidarity, and encouragement. (Havana Radio Rebelde Network in Spanish 0100 GMT 7 Apr 96)

Esteban Lazo Hernandez, member of the PCC Central Committee and first secretary in the City of Havana Province, has been invited, among other personalities, to a children's theater performance to be held on 10 April at the National Theater of Cuba to commemorate the 35th anniversary of the founding of child care centers. Honors will be given to 25 woman founders of child care centers. (Havana Radio Rebelde Network in Spanish 1155 GMT 10 Apr 96)

Cuba: Roundup of Sugarcane Developments Through 14 Apr

PA1504001196

[FBIS Report] The following is a compilation of reports on sugarcane and sugar industry developments in Cuba monitored through 14 April.

In Camaguey Province the problem that the sugar mills are facing has been low availability of sugarcane due to a decrease in the amount of cut sugarcane. Efforts are being made to increase the number of sugarcane combines to solve this problem. Special detachments have been created to increased the amount of cut sugarcane.

In Santiago de Cuba Province, the Julio Antonio Mella Sugar Mill has already fulfilled its sugar production quota. Because of efficient handling, more sugar has been produced with less sugarcane than that needed in the past; the sugar mill yielded 3,000 tons more sugar using 3 million arrobas less sugarcane. The goal was reached in 117 days instead of the scheduled 120 days.

In Matanzas Province, the sugar mills have already produced 371,000 tons of sugar, thus already equalling last year's production level, using 19 million arrobas less sugarcane and reaching this production figure 50 days ahead of schedule. (Havana Radio Rebelde Network in Spanish 1155 GMT 12 Apr 96)

Approximately 20 sugar mills have already reached their sugar production quota throughout the country and the rest are working to reach it. The workers' main objective right now is to make sugarcane available at the mills and to plant 2,000 caballerias in April and an additional 15,000 in May and June for the next harvest season.

The Julio Antonio Mella Sugar Mill has reached its 50,000 tons of sugar quota for this harvest, but workers will keep the mill open until 15 April to produce an additional 1500 tons, a promise they made to Fidel Castro.

In Las Tunas Province, the workers are working to repair their sugar combines to meet their sugar production commitments for this harvest. Approximately 2,000 more tons of sugar must be produced. Roads have been built in sugar field areas to facilitate easier transportation of the canes. (Havana Radio Rebelde Network in Spanish 1700 GMT 12 Apr 96)

A group of approximately 400 workers from Santiago de Cuba's Julio Antonio Mella Sugar Mill have left for Holguin to help in the sugar harvest in that region. Communist party secretary general of Santiago de Cuba Province explains that this is an expression of solidarity work. (Havana Radio Rebelde Network in Spanish 1700 GMT 13 Apr 96)

In La Palma in Pinar del Rio Province, the Manuel Sanguily Sugar Mill achieved its sugar production target in just 70 days during this harvest with a production rate of 11.2 percent and a recovery rate of 87 percent. During the first 23 days of this harvest, this sugar mill achieved a production level equal to that of the previous harvest. This is this sugar mill's second record harvest in 20 years. (Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 31 Mar 96)

In Sancti Spiritus Province, the Siete de Noviembre Sugar Mill has been the second to achieve its sugar production target, exceeding its recovery rate by four points. This province plans to achieve its target by mid-April. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 8 Apr 96)

In Cienfuegos Province, the Catorce de Julio Sugar Mill achieved a 12.3-percent production rate and a 87.63-percent recovery rate despite recent rains due to a better use of equipment, which are used for 15 to 16 hours daily. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 8 Apr 96)

On 7 April, Santiago de Cuba Province exceeded last year's production of 200,000 tons of sugar. The eight sugar mills in this province have increased their processing of fresh sugarcane for better production, which, according to the AGENCIA DE INFORMACION NACIONAL, will guarantee that this province will meet its target for this year. (Havana Radio Havana Cuba in Spanish 0000 GMT 8 Apr 96)

Ciego de Avila Province has exceeded last year's production of 383,000 tons of sugar. This province has achieved 70 percent of its target with less sugarcane and more efficiency. Various strategies are being implemented to help this province produce the 157,000 tons that are still pending for this harvest. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 9 Apr 96)

The National Association of Small Farmers (ANAP) has provided 80 percent of its sugarcane quota to the sugar industry a month before the harvest ends. The ANAP has devoted 15 percent of its land to sugarcane and it has requested an additional 5 percent. Its goal is to produce 20 percent of all sugarcane by using 20 percent of its land. The provinces of Santiago de Cuba, Granma, and Sancti Spiritus have stabilized their sugar harvest and recovery work. The Bolivian Martyrs in Ciego de Avila Province have cut by hand the first 1 million arrobas of sugarcane at a daily average of more than 400 arrobas. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 9 Apr 96)

In Las Tunas Province, the (Antonio Veitia) Sugar Mill has ground 1 million arrobas of sugarcane as of 8 April. Workers from the Peru Sugar Mill who are helping to cut sugarcane at the Argelia Libre Sugar Mill have a daily production of more than 300,000 arrobas. Four days after resuming the harvest, the Argelia Libre Sugar Mill has a production rate of 10.37 percent. The three largest sugar mills in northern Las Tunas are facing limitations due to field humidity. In southern Las Tunas Province, conditions are favorable. The Colombia Sugar Mill has the highest efficiency rate in this province: 12.2 percent. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 9 Apr 96)

In Cienfuegos Province, 1,200 caballerias are now ready for planting. This province has exceeded by 104 percent its planting target for the first quarter of this year. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 9 Apr 96)

In Santiago de Cuba, the Salvador Rosales Sugar Mill has an accumulated recovery rate of 90.58 percent and has produced 1,000 tons of sugar over its projected target. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 9 Apr 96)

Haiti

Haiti: Investigative Team Returns From Ouanaminthe 10 Apr

PA1204234096 Port-au-Prince Signal FM Radio in Creole 1130 GMT 11 Apr 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Excerpt] The team of inspectors who went to Ouanaminthe at the request of President of the Republic Rene Preval to investigate the situation in this region returned to Port-au-Prince on 10 April.

The people will be briefed on the results of the investigations in the next few days, but the investigators cannot say anything about the subject, according to one of the inspectors, (Luc Echet) inspector general of the National Police.

(Echet) said they have gathered solid information that will help them discover the truth about the incident that happened in Ouanaminthe a few weeks ago. This incident resulted in the complete torching of the police station of the area, and a group of demonstrators totally ransacked the court.

Regarding Dominicans' entry into the country, the police inspector general said important security measures have been considered and will be intensified along the Haitian Dominican border to prevent the Haitian compatriots from being victimized by the Dominicans. [passage omitted]

Haiti: INARA Officials To Meet With Peasants, Landowners

PA1204202496 Port-au-Prince Signal FM Radio in Creole 1130 GMT 11 Apr 96

[From "The 0730 Appointment" newscast]

[FBIS Translated Text] The officials of the National Institute of Land Reform will meet today in Milot with various peasants, and landowners on the question of land reform in this region.

For his part, the Agriculture Minister Gerald Mathurin, has taken a stand in favor of an agriculture corresponding to the needs of Haiti.

Haiti: National Policemen Arrest Fake Policeman 10 Apr

PA1204202296 Port-au-Prince Signal FM Radio in Creole 1130 GMT 11 Apr 96

[From "The 0730 Appointment" newscast]

[FBIS Translated Excerpt] A fake policeman was arrested in Port-au-Prince on 10 April. He is the second fake policeman arrested in Port-au-Prince by the national policemen in less than two months. Serge Victor, who pretended to be a national policeman, used to visit the Petion-Ville police station frequently. He was surprised by the Haitian Police wearing a National Police uniform. He had handcuffs and tear gas on him. They arrested him when he was trying to get a National Police identification card by saying that his card had been lost. Serge Victor will spend between six months and two years in jail for this serious offense, according to several judicial sources. National Police General Inspector Luc Michel has promised to pursue any individuals who pretend to be national policemen. [passage omitted]

Haiti: UNMIH on Policemen Training, Preval on Security

PA1204195896 Port-au-Prince Signal FM Radio in Creole 1130 GMT 11 Apr 96

[From "The 0730 Appointment" newscast]

[FBIS Translated Text] For the time being, the UN Mission in Haiti [UNMIH] is working toward the technical reinforcement of the National Police Force. Henrique Ter Host confirmed their participation in several training seminars that will be held in order to provide technical training to the Haitian policemen. The police superintendents are already receiving training so they can do the job better. Right after that, several other sessions will be organized for the agents.

Concerning the close security of the Haitian head of state, Preval confirmed that it will still be ensured by the presidential security unit. Preval made this statement while he was visiting the family of Marie-Christine Jeune, a Haitian policewoman who was assassinated. He answered the questions of the journalists who quoted the statements of a Canadian official who said that the Canadian soldiers will have to ensure the close security of the Haitian head of state.

Haiti: Canadian 'White Helmets' To Replace Bangladeshis

PA1204193596 Port-au-Prince Signal FM Radio in Creole 1130 GMT 11 Apr 96

[From "The 0730 Appointment" newscast]

[FBIS Translated Text] The Canadian soldiers, the Canadian white helmets, have begun being deployed in Port-au-Prince. About 100 Canadian soldiers have begun working at the National Palace. They are ensuring the security of President Rene Preval. About 100 Canadian soldiers who are members of the UN Mission in Haiti [UNMIH] replaced on Wednesday, 10 April, their colleagues of the Bangladeshi contingent who were attached to the National Palace. The soldiers will ensure the security of the palace and will accompany the president in his trips throughout Haiti. Mr. Preval's close security remains under the control of the presidential security unit. For their part, the Bangladeshi elements returned to their base in Drouillard, Port-au-Prince.

The mandate of the UNMIH that has been in Haiti since March 1995 was extended by four months on 29 February. It has a strength of 1,900 men. Canada is leading the mission and has replaced the United States with its contingent of 700 soldiers. Bangladesh is in second place regarding size of contingents with 525 soldiers.

Haiti: National Party Leader Opposes Privatization

PA1404000096 Port-au-Prince Radio Metropole in French 1045 GMT 12 Apr 96

[Report by Francine Leonard from "The Morning Newscast" — in Creole]

[FBIS Translated Text] During a meeting with reporters in Les Cayes today, the leader of the National Agricultural and Industrial Party [PAIN], agronomist Louis Dejoie II, stated a position against privatization. Saying he is against privatization from the start, Dejoie believes the government led by Rosny Smarth must give the people the relevant explanations:

[Begin Dejoie recording, in progress] ...will have to tell them what is and what is not good for them. The Smarth government must come. I do not need Preval to come and tell me anything. Preval is a head of state leading a country in accordance with his constitutional mandate. It is up to Smarth to come and tell the people what privatization is and how he will implement it. Then they can make the decision [words indistinct] this role is the responsibility of the Haitian Parliament, provided there is an inquiry commission formed by Parliament [words indistinct] yes or no.

This statement is what I wanted to say. I do not.... [pauses] Finally, I am against privatization from the start. [end recording]

Agronomist Dejoie said privatization will allow the private sector to enjoy too many monopolies; consequently, the people will not benefit from the institutions.

In conclusion, Dejoie announced the construction of two new factories in the department and the inauguration soon of a vetiver factory in Ducis.

Haiti: Miami Police Capture 2 Haitians for Illegal Weapons

PA1304170596 Port-au-Prince Radio Metropole in French 1600 GMT 12 Apr 96

[From "The Morning Newscast"]

[FBIS Translated Text] Two Haitian nationals, Serge Cantave and Gesner Champagne, were apprehended in Miami while they were preparing to leave for Haiti with a container full of weapons. The container contained over 7,000 weapons of different calibers. It was not disclosed why the men were trying to ship these weapons. One of the apprehended individuals, Gesner Champagne, was released after paying $150,000 bond and entrusting the police with the deed to his house as a guarantee that he will not try to leave the United States.

Haiti: Government To Sell Majority of Cement Shares

PA1304194396 Port-au-Prince Signal FM Radio in French 1700 GMT 12 Apr 96

[FBIS Translated Text] We will begin this newscast with the economic news. Seventy-eight percent of the shares of Haiti Cement will be sold to Haitian and foreign investment groups. The project is being studied. The Haitian Government will proceed in the coming days to sell most of the shares of this state-owned enterprise. For the moment, the authorities are scrutinizing the bids presented by five groups from France, Switzerland, and Mexico and a Haitian group. We have learned from the Inter-Press Service [IPS] that these institutions have already submitted their purchase bids to the Unity of Democratization of State-Owned Enterprises [UDEP], an entity created by the office of the prime minister and whose purpose it is to prepare and coordinate the privatization program. A selection committee headed by Prime Minister Rosny Smarth is preparing to closely examine the various proposals submitted to UDEP in September 1995 and select the highest bidder, IPS explains.

Mexico: Communique Issued on U.S. Response to Beatings

PA1504013496 Mexico City NOTIMEX in Spanish 2355 GMT 14 Apr 96

[FBIS Translated Text] Mexico City, 14 Apr (NOTIMEX) — The Mexican Secretariat of Foreign Relations [SRE] has reported that as a first official response to Mexico on the recent events in Riverside, the U.S. Government has pledged to review the police methods and procedures on its southern border.

The U.S. Department of Justice has promised to make contact with the local police in California, especially in Riverside, to review their methods and procedures, the SRE stated in a communique.

The SRE communique remarked that the U.S. Department of Justice also promised to train the local police forces, so as to prevent incidents similar to those that occurred, adding that, should they occur, the arm of the law will fall on those responsible.

Nevertheless, the SRE communique explained that "given the nature of the U.S. federal system, that effort does not have a mandatory nature. However, the Justice Department may encourage combined work with local authorities in the proposed direction."

The SRE explained that the above is the result of the diplomatic efforts made until now with regard to the recent events in Riverside, California.

Policemen from that country beat up three Mexicans and seven other Mexicans died in a traffic accident during a police chase.

In its communique, the SRE reported the steps taken by Juan Rebolledo, assistant foreign secretary for bilateral affairs, during his recent visit to Washington.

The SRE added that in a meeting with Deputy Attorney General Jamie Gorelik, it was agreed that the response to the diplomatic note from the Mexican Government will contain a detailed report of the federal actions regarding the aforementioned events.

The SRE further said that the aforementioned report will stress the actions of the Civil Rights Defense Office under the Department of Justice, and affirmed that at that meeting a preliminary report was delivered to the Mexican counterpart.

It indicated that the authorities from the U.S. Justice Department agreed with the Mexican request to review procedures with local police forces along the Mexican border.

The SRE communique concluded that the mechanisms recently created between authorities from the U.S. Immigration and Naturalization Service and the Mexican Consulates must support this effort from the neighbor to the north.

Mexico: Factions Discuss Beatings, Sign Agreement

PA1204161996 Mexico City LA JORNADA in Spanish 10 Apr 96 p 5

[Report by Elena Gallegos and Ismael Romero]

[FBIS Translated Text] The Congress of the Union will conduct, "as soon as possible," a public consultation that will analyze human rights violations and the anti-immigrant atmosphere in the United States. For this purpose, legislators will demand that the Foreign Relations Secretariat [SRE] prepare a detailed report on violent incidents against Mexicans that consulates in the neighboring country have documented.

The consultation will derive in the drafting of laws to protect migrants and recommendations will be made to the executive branch, to undertake the matter in an overall manner. Moreover, during a meeting at Tlatelolco Tower last night, legislators from the four factions asked Foreign Secretary Jose Angel Gurria to prepare the report.

The public hearings and the demands to the SRE so it submits a report are included in a point of the agreement signed by the PRI [Institutional Revolutionary Party], PAN [National Action Party], PRD [Party of the Democratic Revolution], PT [Labor Party], and independent deputies after considering that aggressions against Mexicans have increased. This makes it essential for the legislative branch to adopt initiatives to protect their human and labor rights.

Moreover, a group of PRI legislators submitted nine proposals to counter the problem, and it considered that the SRE should use "more energy" in the defense of Mexican migrants while defining the state's responsibility with illegal aliens. The PRI legislators advocate an open struggle and strict punishment for illegal workers' smugglers (polleros).

The opposition severely criticized the SRE's role concerning the aggressions against Mexicans in California. They used the terms "unenthusiastic" and "questionable conduct," and they demanded that the government tackle the structural causes of poverty, unequal opportunities, and lack of employment alternatives, which are basically the reasons why Mexicans are compelled to seek a way to survive in the neighboring country.

The PAN also presented some alternatives to attack the problem, after agreeing that Mexican congressmen have failed to defend illegals. Their suggestions include reviving the Special Legislative Commission comprised in 1994 to analyze Proposal 187, so it may study the problem.

The topic was brought up by Deputy Adolfo Aguilar Zinser, who said events like the one which occurred in Riverside are systematic rather than isolated. "There is a standard behavior among the U.S. authorities, and organizations are created in the United States for the exclusive and sole purpose of carrying out acts of violence against Mexicans when they try to cross the border."

Aguilar Zinser said in an interview that he cannot understand how the authorities failed to protest and adopt a strong attitude if they have documented so many cases of aggressions against Mexicans in the United States. "Perhaps they were afraid this would be reflected in the loans or investments," he added. Aguilar Zinser said there is a report on the issue and it summarizes cases followed up by the consulates, and it is believed they represent only 40 percent of the total.

PAN Deputy Tarcisio Navarrete read his faction's proposals afterwards: Legislators from the Chamber of Deputies' Human Rights Commission must send a letter to President Bill Clinton demanding respect for human rights consecrated in international treaties, and SRE sections in charge of protecting Mexicans abroad must be strengthened.

Deputy Cuauhtemoc Sandoval read the four factions' agreement, which reads as follows:

1. The Chamber of Deputies's 56th Legislature requests from the SRE a detailed and analytical report on violations to migrant workers' human and labor rights in the last five years as documented by Mexican Consulates in the United States.

2. The Senate's Foreign Affairs, Border Affairs, Human Rights, and Population and Development Commissions are invited to jointly summon with the Chamber of Deputies' respective commissions, as soon as possible, a public consultation on human rights violations and the anti-immigrant atmosphere.

The anti-immigrant laws that are currently being discussed at the U.S. Congress will also be analyzed at the consultation. Consular officials, victims of aggressions, and people from organizations dealing with the defense of immigrants' human rights in Mexico, and the United States will be invited to attend the hearings.

3. Based on the results of the public consultation, this branch will legislate in this concern and submit to the executive branch a series of initiatives on the migration issue and the protection of our fellow citizens in U.S. territory.

During yesterday's session the Chamber of Deputies also reviewed the resolution adopted by the Human Rights Commission, urging the U.S. authorities to punish those responsible for the Riverside incident, and to sponsor overall solutions to migration problems.

The nine proposals from PRI Deputies Jaime Martinez Veloz, Raul Ojeda, Carmelo Soto, Marcela Ceron, and Maria Elena Irizar include: To establish binational mechanisms for the defense of migrants' human rights; study the possibility of establishing an agreement between Mexico and the United States to protect migrant workers' labor, health, education, and housing conditions.

Additionally, to strengthen the consular network at the points with the greatest incidence of aggressions, particularly Brownsville, Dallas, Denver, El Paso, Fresno, Los Angeles, MacAllen, Miami, New York, Sacramento, San Antonio, San Bernardino, San Diego, San Francisco, Washington, and Tucson.

To strengthen social programs and the programs to counter poverty in the leading zones from where manpower is being expelled: Michoacan, Oaxaca, Zacatecas, Jalisco, and Guanajuato; and to launch special programs for the migrant population along the border because this population represents a burden for regional economies and it surpasses states' and municipalities' possibilities to provide care.

The PRI deputies consider there is a player that remains in the sidelines and should be fought: the people who smuggle illegal aliens. Their business is as organized as drug trafficking, but is less persecuted, although it also bribes officials, profits from other people's poverty and life, and "should be punished as drug trafficking is punished."

Mexico: Statistics on Illegal Immigrants to U.S. Noted

PA1204170196 Mexico City XEW Television Network in Spanish 0300 GMT 10 Apr 96

[Report by Vicente Lopez; from the "24 Hours" newscast]

[FBIS Translated Text] There are no specific figures regarding the number of illegal aliens who enter the United States each year. According to estimates from the U.S. Immigration and Naturalization Service, between 1.5 and 2.5 million illegal aliens enter the United States each year. At least, one half of these are Mexicans; most of whom go back and forth over the 3,000-km-long borderline that separates Mexico from the United

States. California receives the largest number of illegal aliens: 30 percent.

According to information provided by the Office of the Attorney General of the Republic, approximately 150 well-organized groups engage in the trafficking of illegal aliens, who are not only Mexicans but who also come from Central and South America, as well as Asia. This business is growing daily and worldwide. Human beings are traded as merchandise. According to estimates from the International Migration Organization [Organizacion Internacional para las Migraciones], revenues from trafficking of illegal aliens range from $5 to $7 billion worldwide. The smugglers of human beings who operate in Mexico and Central America have access to the 44 points across the U.S. border. Although there are no official figures, Mexican human rights organizations and groups that defend the rights of illegal aliens estimate that in 1994, more than 1 million illegal aliens entered into U.S. territory. At least, 40 percent of these illegal aliens were helped by smugglers or traffickers of human beings.

As a result of the stronger anti-immigrant policy, the smugglers of illegal aliens have increased their rates by more than 200 percent to take illegal aliens across the border. This means that in 1994, more than 400,000 illegal aliens paid between $400 and $800 each to enter U.S. territory, and often, they had to do this several times because they were deported. This would mean that smugglers would obtain revenues ranging between $160 and $350 million each year just for helping illegal aliens to cross over the border. At present, being a smuggler is a very good business, because thousands of people daily attempt to enter the United States.

According to the Mexican Under Secretariat for Population Migration Affairs, in 1993, between 200,000 and 300,000 Central Americans attempted to enter the United States with the aid of smugglers, and 100,000 more came from other nations like Peru, Colombia, Ecuador, India, China, Ghana, and Nigeria.

In Mexico, the trafficking of undocumented people is treated as a serious crime; punishment ranges from two to 10 years imprisonment and fines of up to 10,000 wage-days at the current minimum rate are levied. In 1995, 859 criminals were prosecuted for trafficking people. In March 1996, 600 traffickers of undocumented people were detained, according to Cesar Becker, undersecretary for Population and Migration Affairs. For the undocumented, staying in the United States pays off because they recover through their work what they invested in the smuggler and in transportation. According to information recently disclosed at the regional conference on migration held in Puebla, Mexican migrants in the United States sent to Mexico between 1993 and 1994 more than $2 billion, in addition to spending $14 billion in the United States.

Mexico: Foreign Secretary Cited on Riverside Incident

PA1304022896 Mexico City LA JORNADA in Spanish 11 Apr 96 p 3

[Report by Elena Gallegos and Mireya Cuellar]

[FBIS Translated Text] Foreign Relations Secretary Jose Angel Gurria has told senators and deputies that the Riverside incident does not mean a war is brewing between the United States and Mexico. Gurria also has rejected suggestions made by the opposition to recall the Mexican ambassador to Washington for consultations, thereby displaying the existing indignation in the country because of the brutal treatment given to Mexicans in the neighboring country.

According to those attending the meeting, the foreign relations secretary has said that to do that would be tantamount to taking one step before breaking diplomatic relations, and this would "federalize" an incident in which local police officers (California) were involved. He added that the incident was already condemned by President Bill Clinton and is under investigation by the FBI as a human rights violation.

Gurria has said Mexico should sign the International Convention for the Protection of Migrant Workers and their Families signed under the auspices of the United Nations in 1990. He has said the United State has not signed it either.

Gurria has called on legislators to take action along with U.S. congressmen and to determine the possibilities of adopting legislative measures with a view to protecting migrant workers. He has instructed the director of the Consular Affairs Office, Enrique Loaeza Tovar, to turn in as soon as possible the report requested by the Chamber of Deputies on attacks on Mexicans that have been documented by consulates in the last five years.

In fact, he has given them a type of preliminary report on what the Foreign Relations Secretariat has done to compensate Mexicans who have been the victims of some type of violation. He has said this task is not only carried out in the United States. Serious problems have emerged in other countries as well.

Moreover, according to Senator Cristobal Arias, the foreign relations secretary does not have a long-term strategy to counter the problem of human rights violation of undocumented workers.

The president of the Immigration Affairs Commission of the Senate has said that in the meeting held on Tuesday night Gurria said a diagnosis of the situation will be drafted before "an integral policy" on the matter is adopted.

Also, according to Arias, Washington has not formally responded to the recent Mexican complaints over the Riverside and Temecula incidents.

Cuauhtemoc Sandoval, deputy of the Party of the Democratic Revolution, has said, however, the foreign secretary spoke to them in detail, as an introduction to the meeting, about all the actions the government has taken to defend fellow Mexicans involved in these violations and the responses obtained both from Clinton as well as from Attorney General Janet Reno and Immigration and Naturalization Service (SIN) Commissioner Doris Meissner.

He has reiterated that the priority for Mexico's foreign policy is the defense of Mexicans living abroad. In view of the legislators' insistence on the need to sign an immigration agreement with the United States, Gurria has recognized that for the time being there is no project that could be viable for both countries; that is, one that could please Mexico and be accepted by Washington.

He has described the situation as very complex, noting that approximately 300 million [as published] crossings over the border are reported yearly.

When Gurria said the Riverside incident was not part of a war, PAN [National Action Party] Senator Jose Angel Conchello stood up, giving examples of cases involving notorious human rights violations. He said: "If this is not war, then tell us what it is."

Cuauhtemoc Sandoval asked that a "type" of ombudsman be appointed at the consulates. Gurria responded with a smile that it would be better if the U.S. Government decided on the matter.

The report recounts a number of cases in which through the intervention of the authorities some Mexicans have received indemnifications, pensions, and all kinds of compensations for certain human rights violations or accidents that took place in the United States.

It also notes that the United States is not "complying with the pledge of carrying out deportations (of illegal aliens) in an appropriate manner," as was agreed on. The SIN reported 1.4 million deportations of Mexicans in 1995, while the Mexican National Migration Institute (INM) was notified of only 853,000. This indicates that 547,000, 39 percent, of the total were not carried out in the way as agreed with the Mexican Government.

Mexico: Gurria on Incidents With U.S. Border Police

PA1304191996 Mexico City LA JORNADA in Spanish 12 Apr 96 p 1

[Report by David Aponte — received via Internet]

[FBIS Translated Text] It is "logical and predictable" that there will be more incidents between U.S. authorities and undocumented Mexicans due to the increase in the number of border patrol officers, the strengthening in the equipment, and an electoral atmosphere that "aggravates the expressions." However, U.S. police officers who commit abuses will have to pay a high legal, political, and economic cost, Foreign Secretary Jose Angel Gurria has declared.

We cannot expect that "the issue" of immigration "will magically disappear" after the electoral process concludes in the United States, because "there is a negative atmosphere" encouraged and presented at the national table by politicians such as Governor Pete Wilson, of California, and Pat Buchanan, he explained.

In light of this situation and the violent attacks against Mexican immigrants, Gurria asked local social and political organizations to guide their indignation and consternation toward reporting and resolving the phenomenon, "rather than to fighting amongst ourselves."

Here we can find consensus in the defense of the human rights of Mexican migrant workers, the foreign secretary commented.

During a long interview in his office at the new building of the Secretariat of Foreign Relations (SRE), Gurria also stated that there are no legal conditions to establish an agreement on migrant workers with the Washington Government.

"This is simply because when one starts talking about numbers, different opinions are stated. To begin with, estimates on immigration and the size of an agreement of this nature, which may be reasonably effective, varies depending on individual assessments on the size of the phenomenon. The other point is the frequency with which these suggestions are accompanied by a second recommendation specifying that when the quota has been met, the Mexican Government would have to adopt certain obligations to prevent the entry of other immigrants.

"And the first problem, to make a long story short, is constitutional. We would be violating one of the fundamental guarantees established by the Constitution, that individuals from our country can move freely and go wherever they want, and if they want to cross the border and go into another country, they are absolutely free to do so... The interests are opposed. There we would have a conflict between employers and the U.S. Government long before they start talking to us."

What would be the serious impact, to which the SRE alluded, that the California incidents may cause on bilateral relations?

When the Clinton administration expressed its "consternation" over the Riverside incident, one must differentiate between where and how the incidents occurred and who are the key players, because in a localized incident such as Riverside, the local police were responsible for perpetrating said barbaric actions. Upon hearing the U.S. federal authorities reaction that this will not be tolerated, one must verify actions on the two fronts: In Washington and in Riverside.

"On the other hand, the issue of human rights of the immigrants is an aspect that at the level of international organizations can be reported in international forums, but one must be very careful as to how to report them, determine the organization, or whether one is denouncing a policy of state. The fact that U.S. laws not only ban, but also penalize said actions, by definition, cannot be considered a policy of state."

— But in this case we saw it on television...

— We saw it on television and this allows us, as is occurring, to report the same not only with legal force, but with political support, in terms of the atmosphere that was created. Therefore, we are handling this incident the same way we would pursue incidents we can document, but with the advantage of the fact it is documented and above all that it created a world awareness on the problem. Among other things, this allowed us today (Thursday) to introduce at the UN Human Rights Commission, a resolution that was unanimously approved with respect to the rights of immigrants.

— Have these incidents (Riverside and Temecula) affected the channel of dialogue and contact with the United States?

— It is unlikely these incidents will improve ties, but we would have to be very careful in determining the corresponding responsibility. At the federal level, we are working with the Immigration and Naturalization Service [INS] in rare situations. Our consuls have held meetings with INS commissioners, in order to identify the abuses and measures that will permit us to react more rapidly and isolate the problem.

"I must say there is a very clear difference: Local incidents tend to rise as a proportion of total incidents; meanwhile, if one compares the number of undocumented immigrants with the increase in the number of border patrol officers, we would arrive at the conclusion that there is potential for a substantial increase in the incidents with the border patrol. This has not occurred because they are also working hard on the other side, together with us and at their own initiative, to educate and enforce the law.

"Here we have different points of view; the North Americans want to respect and enforce their immigration laws as well as to protect their borders, while we demand that the human rights of immigrants be respected. In addition, the starting point of joint work is not the same and we are working to reduce the number of incidents."

— Should the Government of Mexico then expect more violations against undocumented Mexicans?

— It is not something we must expect. Of course, we would all like for this type of incident not to occur, but it is predictable given the number of immigrants and the increase in the number of border patrol officers on the U.S. side of the border as well as the high-tech equipment for detecting persons, which increases the number of apprehensions; in fact, this is already taking place, although it is not clear that the immigration flows are increasing.

"Simply because of an increase in the number of police officers and the means they now have, it is predictable to think of a larger number of interceptions and deportations, and as the number of contacts increases, so does the potential for incidents. It is interesting to note that we are not observing a large increase in the number of incidents because one of the objectives of the protection efforts is to constantly increase the legal, political, and economic cost of this type of incident for authorities incurring in abuses and then, certainly, the gentlemen in Riverside will be more careful from now on.

"To answer: it is not that we must expect, it is simply predictable to think, if one is reasonable, that there will be other incidents. In addition, these incidents not only take place in California, but also along the hundreds of border towns. Also when hundreds of thousands of people trying to do something make contact with a few thousand on the other side trying to prevent it, incidents, as well as accidents and tension will occur."

— What would be the scenario for immigrants if there were no bilateral mechanisms, if there was no dialogue with Washington?

— I think that there would be a much worse situation, a situation in which Mexico's viewpoint would not be considered because we are talking about two incidents in one week. But we are talking about hundreds of thousands of deportees; we are saying that not in every case our request to receive lists of persons and that they be left at a predeterimed location is met; but it is fulfilled more each time.

"Then we are indeed stubbornly reporting all cases on which we have information and not only those that are on video. Then the cost is increasing and by increasing the cost, one would reduce the potential number of incidents; but regrettably there is the law of numbers because, I insist, we are talking about hundreds of thousands of people. That is the logic. Therefore, it is reasonable to expect some cases, but we will pursue each case with the same strength and energy."

— Have any specific actions been planned against smugglers of illegal aliens?

— Yes, this is one of the point on which our objectives fully agree. This is the most disgraceful trafficking that can exist, even worse than the trafficking of illicit substances, simply because we are dealing here with human beings as well as with the exploitation of the hopes and expectations of immigrants. In fact, the growing organization of the phenomenon, through organized crime gangs, is, in many instances, causing incidents such as that of the truck (in Temecula).

"The fact that authorities at different levels disapprove of the action of organized criminals and smugglers of illegal aliens, necessarily makes their attitude toward individual immigrants more hostile and, as often occurs, the innocent end up having to pay for the actions of others, those whose only goal is to simply find a job or find their relatives. That is terrible!"

Mexico: 'About 300' Mexicans Killed Along Border in 1995

PA1404014696 Mexico City REFORMA in Spanish 12 Apr 96 p 1

[Report by Alicia Ortiz — received via Internet]

[FBIS Translated Text] Jose Murat, chairman of the Mexican Foreign Relations Commission of the Senate, has said about 300 Mexicans were killed in incidents along the U.S. border in 1995. He has said the Mexican Government lacks a migration policy, adding that its implementation is urgently needed to appropriately respond to repeated incidents of this nature. These incidents had remained unpublished until a U.S. television video brought them to light. "This matter is nothing new. Such incidents had remained unpublished. They do occur. These are not isolated cases. The Foreign Relations Secretariat [SRE] has maintained a firm, clear-cut, and convincing position in each of these cases. The most recent incident became seriously notorious because it was recorded on video, but this has occurred many times. About 300 Mexicans were killed last year. [no closing quotation mark as published]

At a news conference held along with Senator Mauricio Valdes, secretary of the Mexican Foreign Relations Commission of the Senate, Murat announced that migration experts will participate in three consultation forums to define a migration policy and to formulate legal initiatives, such as dual citizenship. Valdes has said the SRE "has acted calmly and carefully in order to avoid transforming this migration issue, which pertains to a specific area in California, into a nationwide affair."

Furthermore, PRD [Party of the Democratic Revolution] Senator Cristobal Arias, chairman of the Migration Affairs Commission, has said it was erroneous to state that this issue of the violation of human rights of illegal immigrants was a local problem. He has warned that this viewpoint confirms the SRE's halfheartedness and lack of foresight in view of a conflict that both governments should deal with at the highest levels. He has said the unresponsiveness of the U.S. Government authorities to the Mexican authorities' diplomatic notes reveals the U.S. contempt for this problem.

He added that a plural commission of lawmakers will travel to the places where illegal immigrants experience conflicts, mainly in California, to meet with Hispanic organizations to obtain their viewpoints on this problem so as to define supportive measures.

Mexico: Secretary Views Immigrant Attacks in U.S.

PA1504034196 Mexico City REFORMA in Spanish 12 Apr 96 p 1

[Report by Raymundo Riva Palacio and Ciro Gomez — received via Internet]

[FBIS Translated Text] "If tomorrow they again beat up another Mexican in the United States, we will again raise our voice, we will again accuse, we will again issue a diplomatic note, and we will again go to court," Foreign Relations Secretary Jose Angel Gurria has expressed.

"There is no fatality in our relationship with the United States. The fatality would be to resign ourselves. That is something that we will never do."

Interviewed by REFORMA, Gurria stated that the work of Mexican consulates in the United States has been strengthened to increase the political cost each time a fellow Mexican is mistreated.

"We will make sure these abuses are made public so that the judges, governors, mayors, and sheriffs understand that there cannot be impunity," Gurria affirmed.

The secretary categorically denied that the Mexicans who are abused in the United States are unprotected. He mentioned as an example the fact that in 1995 and in the first three months of 1996, 487 human rights violations have been perpetrated against fellow Mexicans in that nation, and that in the same period the consular services have processed 300,000 [figure as received] requests for protection.

When asked if events like that in Riverside do not overemphasize the fact of having excluded the issue of immigration from the NAFTA negotiations, Gurria responded that this affair is much more complex than that: "I don't know, I cannot imagine the possibility that another accord may have been reached."

In addition, the foreign secretary rejected that the U.S. financial bailout of Mexico in January of 1995 tied up the hands of the Mexican Government in the defense of undocumented citizens: "It represented a contribution to the stability of national markets, of the emerging markets, and of the international financial system. But one thing does not have anything to do with the other; there is no question about this, please!"

Regarding the atmosphere of hostility against Mexicans in the United States, the foreign secretary acknowledged that an anti-immigrant sentiment is being experienced: "I feel an atmosphere in which even personalities who in the past were very careful, are today using a clearly anti-immigrant language."

Mexico: Iranian Cited on Agro-Industrial Trade With Mexico

PA1304021396 Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 10 Apr 96 p A-13

[Report by Claudio Cortes Garcia]

[FBIS Translated Text] Mehdi Faajeri, commercial attache of the Iranian Embassy in Mexico, has told EL FINANCIERO that it is possible to considerably increase agro-industrial trade between Mexico and Iran. Mehdi Faajeri has said a good level of mutual buying and selling of goods exists, but the illegal transshipment of goods persists in products exported from the two countries.

Interviewed in his office, Mehdi Faajeri has said Mexico ranks 52d out of 102 nations that export to Iran. Among the 190 importers of Iranian goods, Mexico ranks 61st.

The value of Mexican exports to Iran is $9.931 million per year, while imports from Iran total $2.137 million.

Iran exports to Mexico a variety of products including pistachios, cumin seed, and oriental rugs.

"The trade possibilities between the two countries is much greater, because we have discovered that many of the products we purchase come from Mexico through third countries and vice versa," Mehdi Faajeri has said.

Iran is one of the main exporters in its region of fresh and dried fruits and spices.

Shipping costs are a problem that can be overcome through better organization and mutual support between the two countries, proof of which is that "our country sells kiwi fruit, peaches, a large variety of grapes, and apples as far away as New Zealand," Mehdi Faajeri has said.

Products such as anise, oregano, and laurel are scarce in the Mexican market due mainly to deficiencies in their harvesting or the problems derived from price instability. In this regard, Iran could be an alternate supplier, because these are among its strong products in international trade, Mehdi Faajeri has said.

Moreover, Mehdi Faajeri has said the main obstacle to increasing trade is not shipping costs but, rather, a lack of knowledge about the possibility, the feasibility of conducting business between Mexicans and Iranians.

Shipping merchandise from the Persian Gulf to the Gulf of Mexico in refrigerated ships takes up to 45 days, but despite the difficulties this implies, these problems have been overcome, as demonstrated by the fact that Iran imports large quantities of bananas from Ecuador. Why not import them from Mexico? Mehdi Faajeri has asked. Ignorance of the demand, offer, and means to reduce operating costs is a determining factor, Mehdi Faajeri has said.

A Great Potential Market in the Persian Gulf

The trade representative has said Iran does not produce tropical fruits for which there is a great demand in a market of 60 million Iranians.

"Entering the Iranian market "means opening the doors to the Central Asian market and neighboring countries in the Persian Gulf, because a large number of these products must cross Iran to reach these markets," Mehdi Faajeri added.

Of course, Iran is a balanced country. The inhabitants of the Persian Gulf are not numerous, but that population is one with great purchasing power. The countries in Central Asia have large populations, but those people have a purchasing power that can be described as medium," Mehdi Faajeri has said.

To promote trade and to facilitate business contacts, the Iranian delegation (entrepreneurs, merchants, businessmen, and diplomats) will hold an exposition in the Municipal Exhibition Palace, in Lafragia Number 4, Tabacalera neighborhood, from 22 to 28 April.

Mehdi Faajeri has said "an exporter is a potential importer, because if he comes as a supplier of rugs, he might need an advertising agency, designer products, yarn, and vice versa. The seller could become a good buyer. That is why it is so important to publicize events where international economic representatives are gathering," Mehdi Faajeri has concluded.

Mexico: Survey Notes High Levels of State Indebtedness

PA1304010196 Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 8 Apr 96 pp A6, A7

[FBIS Translated Text] The states in the interior of the country are confronting an uncertain economic and financial future due to the rescheduling in public spending, constant delays, a 12.1 percent average decline in federal subsidies, the 3.4 percent drop in fiscal revenue, and an increase in interest rates, which has particularly undermined those institutions that were unable to restructure their debt.

A survey conducted in 16 states throughout the country by EL FINANCIERO correspondents came up with high levels of state indebtedness in addition to other signs of economic decline. Among these findings we can mention an increase in the servicing of state debts between 1994 and 1995 that in certain regions, such as Coahuila, amounted to 231 percent in addition to an unmanageable growth in overdue debts in state, business, and household finances.

The correspondents agree that public spending guidelines in those states that were analyzed were attuned to national targets such as the struggle against inflation and the reorganization of public finances by following austerity measures in spending, as attested by the fact that public spending in most of the states was less than 20 percent during the first three months of the year as a result of stringent and austere fiscal guidelines stipulated by the federal government.

In addition, the financial crisis also has undermined state fiscal revenue. Only six states—Colima, Chiapas, the Federal District, Guanajuato, Guerrero, and Quintana Roo—were able to record any increase in revenue, but fiscal revenue in other states declined by as much as 53 percent, as has happened in Jalisco, Mexico State. Fiscal revenue in Coahuila declined by 31 percent, while it dropped by 29 percent in Puebla.

Thus, most of the states have confronted liquidity problems and were unable to meet their financial obligations and current expenditures, because revenue was insufficient to cover investment requirements and at the same time to create basic infrastructure.

Particularly affected by this lack of liquidity were allocations for social security and welfare programs such as education, health, and social security compensations, which together constitute 54 percent of the federal government's scheduled expenditures on average.

Amid this decline of the productive sector and an increase in state, corporate, and household debt, the only sectors that were able to record any profit were the assembly plant industry and subsidiaries of multinational corporations.

Relatively unaffected much by the crisis, foreign investors, mainly from the United States, are preparing to invest in the privatization of strategic sectors such as maritime ports, railroads, and telecommunications, and they are flocking toward profitable sectors such as mining and agro-industrial ventures.

Empty Coffers

By implementing strict austerity guidelines, the states have attuned their respective public spending programs to established national targets of inflation control and the reorganization of public finances, which, in turn, has left the state authorities without room to maneuver and utilize their respective resources.

Such is the case with Jalisco, where this year's budget amounts to 4.382 billion pesos, while Queretaro is 1.6 billion pesos, Nayarit 1.367 billion pesos, Aguascalientes 1.663 billion pesos, San Luis Potosi 2.506 billion pesos, and Colima 3.2 billion pesos. For Colima, 64 percent of the total budget will be distributed among 10 municipalities, while 38 percent has been earmarked for education. [sentence as published]

Total state spending for 1996 in states such as Durango amount to 1.9 billion pesos, Coahuila 3.79 billion pesos, Baja California 2.295 billion pesos, and Sonora 3.750 billion pesos.

The collection of federal state revenue reacted differently to the financial crisis during 1995, given that only six states— Colima, Chiapas, Federal District, Guanajuato, Guerrero, and Quintana Roo—recorded any revenue.

Other states recorded a decline of up to 53 percent, as has happened in Jalisco, while Mexico State recorded a 31 percent revenue drop and Coahuila 29 percent.

In Sinaloa, fiscal revenue amounted to 2.734 billion pesos but recorded a 23 percent decline.

The timing with which revenues were assigned was also decisive in determining state financial performance, because it may well mean receiving, on average, 88.5 percent of the total revenue earmarked. In Jalisco, it meant 81 percent during 1995, but in other regions such as Aguascalientes, the percentage of total revenue was 91 percent, the same percentage as in Queretaro.

Not only is timing important but it also amounts in real terms, because fiscal revenue last year declined by 12.1 percent, while the steepest drop took place in Sonora, Chihuahua, Tabasco, and Tamaulipas. Thus, improving fiscal revenue is decisive so social programs will not be neglected.

It has been estimated that federal participation can improve insofar as economic activity also improves. In this regard, Puebla's financial authorities are confident this state can still improve by 15 percent compared to last year.

State revenues have continued to plunge because of the high level of debt. The debt service of the Coahuila State government increased 231 percent in 1995 compared to the previous year. Coahuila is the country's largest automobile export center.

Certain states have restructured their debts, but this has not alleviated the financial burden on enterprises and families. For example, in Sonora, the notes due portfolio was 2.631 billion pesos, 19 percent of the banking institutions' total portfolios (13.825 billion pesos).

In Durango the overdue notes portfolio of that state's banking center was 421.52 million pesos out of a total portfolio of 2.193 billion pesos. The manager of that institution, Edgar Nunez Murillo, has said the rising trend in interest rates was a determining factor in the 8.05 percent increase in the overdue portfolios during the first month of the year.

The president of the National Chamber of Commerce in Durango State has said: Important state firms have been negatively affected. Of the 60 most important marketing enterprises in the capital, he has said, at least 20 percent already have overdue notes and no possibility of counteracting the problem because of high interest rates.

Unemployment is Growing Throughout the Country

Unemployment, the country's most sensitive problem, is growing every day and has become a main, social concern in all the polled states because of its subsequent public insecurity and crime. Officials interviewed by correspondents have agreed that unemployment is the main economic problem, one that must be tackled.

In the state of San Luis Potosi, 25,000 jobs have disappeared, in Jalisco 480,000 jobs were lost in 1995, and in Aguscalientes 14,000 jobs vanished last year.

In Puebla, 75,000 people lost their jobs. In july 1995 the unemployment rate of this state was 6.5 percent, higher than the national average.

Recent reports state that the jobs situation did not improve significantly during the first few months of this year. In Queretaro State, the unemployment rate was 6.7 percent in February.

In Durango, the unemployment rate of December 1995 was 8.3 percent, but the state endured its highest level of unemployment in July of last year: 9.6 percent.

Foreign Investments in Paradise

The border states of the country's northern region, in particular, have tried to fight unemployment by offering facilities to assembly plants. State and municipal authorities have offered incentives such as three-year tax exemptions on payrolls, municipal land taxes, the transportation of property, and construction permits.

In Durango State the facilities include the delivery of electricity, drinking water, and in-plant sewer services, even land donations in projects that are particularly important because of their job creating capabilities .

In Coahuila, for example, the enterprises that have kept their labor force intact received a 10 million pesos subsidy, which has safeguarded 6,000 jobs.

The assembly plant sector, as tourism, has become an activity identified by regional development. While it is true that their growth is permanent and the results favorable in some states, especially the border states, they represent minor support in others.

States such as Nayarit have not registered any foreign firm in this sector, but there are 305 such enterprises in Chihuahua. The concentration of this line of business in certain cities is a problem.

The assembly plant sector has become the driving force of the economy of states such as Baja California. This industry here has centered its attention on sectors such as the electronics, metal and mechanical, textile, paper, and wood sectors and employs 22 percent of the state's workers.

Foreign investments find a true paradise here to invest. The privatization of the maritime port of Ensenada, the Ensenada-Tecate railroad line, and the construction of gas pipelines are only some of the 36 investment projects of that state. Foreign businessmen are to make investments. Of the total projects, only eight are by national enterprises, according to reports.

Basic Infrastructure, Widespread Need

The lack of basic infrastructure in every region of the country is a widespread dilemma that blocks development. Only in the major industrial or trade corridors are enough access roads found, while a lack of roads, airports, land terminals, potable water supply, drainage, and electrical power is evident in the states' interior sections. Other private utility services in areas such as telecommunications are also insufficient compared to the existing demand and local needs.

Certain private initiatives, actually, are up for consideration in that regard, as is the case in Jalisco State, where matters of industrial infrastructure are a top priority for the current administration.

In Nayarit State, a network of channels is required that will allow the tapping of resources from the Aguamilpa Dam and the San Rafael diversion. Irrigation projects are also needed. The road leading to the beaches along the municipalities of Campostela and Bahia de Banderas should also be extended. At the same time, there is the need to conclude several stretches of roads such as the one leading from San Blas to the Sinaloa State border and the Uzota- Amatlan de Canas road.

In Puebla State, the main infrastructure related problem is housing. Official data estimate that 64.48 percent of homes suffer from overcrowded conditions. In Aguascalientes State, there is another housing deficit of approximately 17,000 homes that needs to be covered.

In Colima State, there is an urgent need to modernize the port of Manzanillo and to improve the railroad system linking this city and the city of Guadalajara.

The data suggest that some of the regional imbalances are among the most salient characteristics and obstacles to be seen across the nation. Some states such as the Federal District, Nuevo Leon, or Jalisco have well developed industrial, trade, and service activities, while other states concentrate on agricultural industrial activities.

Dismantling the Productive Sectors

Paradoxically, even though some states have a promising potential for growth, the lack of long-term development policies and little diversification of the productive sectors are leading to some readjustments in which each state's predominant activity is turning out to be the only generator of progress, while the rest of the productive activities, particularly in the countryside, are being virtually scrapped.

In Guerrero State, for example, tourism is the major economic activity, and a single municipality, Acapulco, generates 75 percent of the state's tax revenues. Because only Zihuatanejo is self-sufficient in this region, Acapulco's revenues are used to support 74 of the state's 76 municipalities.

The dismantling of the productive sectors in the country's interior, as reported by the country's correspondents, is marked by the neglect of the countryside, the shutdown of medium-, small-, and mini-sized companies, and the lack of state policies on industrial development. These policies, and in few zones such as the country's northern part and Mexico State, are only attracting assembly plants at best. Combine this point with the financial system's inability to solve problems of credit card debt, home, personal, and business loans and you have a bleak outlook on the possibilities for economic recovery in all the regions of the country.

Mexico: Finance Official Cited on Public Spending

PA1304235896 Mexico City LA JORNADA in Spanish 11 Apr 96 p 45

[Report by Juan Antonio Zuniga]

[FBIS Translated Text] A high-ranking official of the Finance and Public Credit Secretariat (SHCP) announced yesterday that the existence of "administrative safeguards" linked to the bidding processes have prevented the exercise of public spending under the terms of and in the amounts forecast for the first quarter of the year. "We have gone from an extreme of affluence to another extreme of austerity, and we are searching for expeditious approaches," the source commented after stating that spending was at a minimum in January, increased the following month, and tended to be normal in March.

He said, however, that the spending goals were not fulfilled and that it is likely public finances will close with a surplus once we have all the information for the first quarter of the year.

He said that Secretary Guillermo Ortiz has been closely monitoring this phenomenon since its detection in early February and that the SHCP has paid close attention to guarantee that public spending will fulfill the objective of reactivating the economy under expected terms. Government resources are more likely to flow faster during the second quarter. The official also said the federal spending budget has not been cut. The point is, he said, that a 4.382 billion peso transfer stemming from the adjustment to the expenditures of all the federal executive branch's bodies was made to the amount budgeted to states and municipalities, the general funds of which were increased from 18.5 to 20 percent.

This is how he explained that the spending budget of the federal executive's institutions, state secretariats, was reduced from 132.84 billion to 128.46 billion pesos, while the general funds for state and municipality allotments was increased from 68.65 billion to 73.41 billion pesos.

These moves, which did not change the total amount of resources, complied with what is stipulated in the second temporary article of the Federal Spending Budget for the 1996 fiscal year, the source affirmed. According to this temporary article, which was published in the DIARIO OFICIAL DE LA FEDERACION on 22 December 1995, "the federal executive branch, through the SHCP, must make the adjustments to spending allotments authorized in this decree in proportion to the increase stemming from the variation in the percentage applicable to item 00028, Allotments to Federal States and Municipalities, according to the Fiscal Coordination Law, in order to maintain the budgetary balance."

The decree that approved the spending budget for 1996 states that the adjustments will be exclusively made to the budgets of the 18 state secretariats that directly depend on the federal executive branch. The budgetary adjustments must have followed the following criteria: Compressing administrative structures and purging programs, duties, and goals to eliminate double duties and reduce nonpriority spending.

In addition, the second temporary article warns that the investment programs for physical infrastructure must not be adversely affected and that the social spending investments that clearly identify the subjective population and that constitute an effective benefit for society in terms of cost must be protected. The article also involves the introduction of systems in the execution of programs that allow the reduction or elimination of indiscriminate regional consumption subsidies, particularly those concerning the price of tortillas, electricity bills, and liquid propane gas rates.

Mexico: Zedillo on Economic Crisis, Drought Aid

PA1204184496 Mexico City Radio Red Network in Spanish 2330 GMT 11 Apr 96

[Report by Manuel Suberza Blanco; from the "The Night Monitor" newscast]

[FBIS Translated Text] We will overcome the economic crisis through actions instead of lamentations, President Ernesto Zedillo has stated in reiterating there is full confidence that recovery will begin this year in the country. In a visit to Durango and Coahuila States, which have been severely stricken by a drought, the president acknowledged the economy is going through the painful transition between the end of the crisis and the start of recovery.

Ernesto Zedillo admitted it is not enough for the people to know that the current account has been refinanced, that a maximum effort was made to keep the country from falling into a spiral of hyperinflation, and that the loss of millions of jobs was prevented. What is required, he said, is that recovery be noticeable and that the jobs lost in 1995 be recovered.

[Begin Zedillo recording] Today, we cannot in any way say we have overcome adversities. It would be unfair, improper, and misleading to make that statement. We can say today, however, with full confidence that we have (?overcome) the risk of a financial and production collapse that threatened us in 1995. [end recording]

While the president read his speech, during a function held in the Ricardo Castro Theater, a group of persons stood up and held out a banner asking for permanent jobs for Durango professionals. In the morning, while attending a farming ceremony, the president announced that resources for the amount of 1.137 billion pesos will be funneled to cope with the drought that is affecting the states of Coahuila, Durango, Baja California Sur, Nuevo Leon, Tamaulipas, Zacatecas, Sonora, Sinaloa, and Chihuahua. In the Coahuila's La Laguna locality, Zedillo inspected the progress on the region's alliance for economic reactivation and employment.

Mexico: Nacajuca Indians, Shock Group Clash; 30 Injured

PA1304161196 Mexico City LA JORNADA in Spanish 12 Apr 96 p 1

[Report by Rene Alberto Lopez — received via Internet]

[FBIS Translated Text] Villahermosa, Tabasco, 11 April — According to municipal authorities, approximately 30 people were injured during a confrontation that took place on the evening of 11 April among Nacajuca Indians and a "shock group" affiliated to the PRI [Institutional Revolutionary Party]. Approximately 700 people participated in the confrontation in which a public office was destroyed.

Nacajuca municipal president Adan Magana Gomez, who is a PRD [Party of the Democratic Revolution] follower, blamed Governor Roberto Madrazo Pintado for the incident and accused him, as well as Juan Molina Becerra, Interinstitutional Commission for the Environment and Social Development head, of violating municipal autonomy.

The violent actions that took place at the municipal county seat, which is located approximately 30 km from here, occurred when 400 peasants from the 58 communities of Nacajuca, which the PRD governs, were holding a meeting at the Culture House to form the municipal council, which will be in charge of forming the subcommittees of control and surveillance of the works of the Fight Against Poverty Program.

It was then when approximately 300 people arrived in buses and burst into the public building, thus starting the confrontation. Municipal Secretary Domingo Hernandez Guillermo reported that Molina sent the "shock group" and they fled to the state capital following the confrontation.

Questioned that night at the Villahermosa Arms Square, Remigio Lopez Garcia, a peasant leader affiliated with the PRI, accused Mayor Magana of not having invited them to the meeting, "because we are not PRD supporters." They wanted to handle the resources on their own.

In the morning, a group of cacao workers led by Laurence Rodriguez Torruco, National Cacao Producers Union leader, took over the installations of the radio station that broadcasts the Telereport [Telereportaje] program. They forced their way on the air to attack their opponents who demand Rodriguez be imprisoned to carry out the arrest warrant against him.

Mexico: Morelos State Residents, Police Clash

PA1304223196 Mexico City Radio Red Network in Spanish 2300 GMT 12 Apr 96

[From "The Night Monitor" newscast]

[FBIS Translated Text] The Party of the Democratic Revolution [PRD] in Morelos State is demanding the disbandment of government organizations after it gathered information about the clash that took place between members of the Committee for the Tepozteca Unit [CUT] and the Municipal Police on 10 April during one of the events to mark another anniversary of the death of Emiliano Zapata. Rafael Jerezano has this report on what happened at the San Larazo Legislative Palace. [Jerezano] A news conference was held today to talk about the regrettable incidents that took place in San Rafael de Zaragoza, Tlaltizapan Municipality, recently. Som Morelos State deputies and CUT members attended. During the news conference, they drew certain conclusions, such as everything indicates that the act of repression was planned beforehand. For that reason the residents of Tepoztlan [as heard] are talking about an ambush, as attested by testimonies and signed documents, they said.

They wanted to note that the route of the Tepozteca residents did not coincide with the itinerary of President Ernesto Zedillo. Another of their conclusions was that the state's police commanders and personnel bear material responsibility for what happened. The state governor undoubtedly bearing political responsibility is another conclusion they drew. As a result of the repression, they added, an unspecified number of people was wounded, two people are missing, and one person, Marcos Olmedo Gutierrez, PRD founder and a militant in Morelos, was shot dead.

The town's residents said that the spotlight must be put on and that they reject with total firmness the abusive and criminal behavior of the state police. They claimed the police were not just brutal against adults but also acted in a cowardly and underhanded manner when they beat, humiliated, and detained many children traveling with their parents. They added that these serious incidents are taking place amid growing violence in the state. This violence, they said, is fostered by the government's refusal to resolve social conflicts democratically.

Let us listen to what Rafael Sanchez Lima, a state deputy for the PRD, said about this matter:

[Begin Sanchez recording] Due to this situation, the PRD in Morelos State demands: 1) the disbandment of government organizations in Morelos State because of this repressive and premeditated action, this ambush, on Tepoztlan citizens; 2) the arrest and indictment of the perpetrators and masterminds of this repression; the creation of a Special Prosecutor's Office established with the consensus of the CUT and the PRD; the intervention of the National Human Rights Committee [CNDH] and a follow-up of this intervention by the Attorney General's Office.

The PRD State Committee has decided to withdraw the PRD in Morelos State from the state reform process. It is also withdrawing from the talks at all levels of government in our state.

To conclude, I want to comment on the state of siege in which we are living in Morelos. When President Zedillo visited Morelos, the state congress deputies were the victims of all kinds of abuse on the part of the Presidential General Staff and the police who were deployed to protect the president. We were denied access to midtown Cuernavaca City, denied the smallest access to the state congress. Freedom to circulate was curtailed in midtown Cuernavaca, and there was no respect for the rights of citizens and our rights as deputies of the state congress.

I must make it clear that President Zedillo's visit led to the violation of the individual guarantee to circulate freely in our state, the constitutional right to circulate, and it was the cause that.... [pause] The

Presidential General Staff presumably gave the order for the repression and the murder that took place in Morelos State, because it headed the security operations. [end recording]

Mexico: Agricultural Practices, Economic Recovery

PA1404171296 Mexico City XEW Television Network in Spanish 0400 GMT 13 Apr 96

[From the "24 Hours" newscast; passages within quotation marks recorded]

[FBIS Translated Text] President Ernesto Zedillo has said that land ownership is a priority issue for his government. His comments came after Agrarian Prosecutor Perez Jacome delivered the yearly agricultural report:

[Zedillo] "Property ownership concerns can lead to conflict, confrontation, and sometimes violence."

Zedillo said that the controversy surrounding land ownership issues has been dying down since property deeds were issued on more than 25 percent of the land. He added that this measure brings an end to the days of paternalistic and discriminatory agrarian practices in Mexico.

Perez Jacome recounted his office's achievements: He noted that more than 135,000 requests for pensions have been received in the past 12 months, proving that the Agrarian Prosecutor's Office has made its presence known in rural areas and enjoys the confidence of peasants.

The ceremony took place in the Avila Camacho Hall, Los Pinos. Zedillo later swore in the new board of directors of the Association of Civil Engineers in the Lopez Mateos Hall.

Zedillo noted that instilling confidence in Mexico is not just a job for the government but a job for everyone:

[Zedillo] "I want to stress that complaining does not help instill confidence. We cannot lay the groundwork for creating jobs and instilling the confidence that Mexicans want if social confrontations and problems continue. It makes no sense to complain about high interest rates and then take action that ultimately pushes these rates even higher."

Zedillo said that the government deserves full credit for these achievements, considering the magnitude of the challenges. He added that economic indeces are forecasting recovery:

[Zedillo] "Between the lowest point of this employment indicator — registered in July 1995 — and figures reported in March 1996, there is a recovery of 236,000 employees engaged in permanent jobs. This represents 48 percent of the total number of jobs lost during the first semester of 1995."

Zedillo said that public investment will increase 7 percent in 1996 compared to 1995. Eugenio Lariza Laniz was sworn in as new president of the Association of Civil Engineers, replacing (Jorge Leal). Lariza said the government cannot relinquish its role of promoter and director of public administration. Zedillo delivered certificates to 14 outstanding engineers on the association's 50th anniversary.

Mexico: Editorial on Gathering of U.S. Forces Near Cuba

PA1504030396 Mexico City LA JORNADA in Spanish 14 Apr 96 p 1

[Editorial: "Ominous War Rumors" — received via Internet]

[FBIS Translated Text] A Cuban division general denounced with precise facts the transfer of offensive aircraft and the gathering of air and naval forces near the Republic of Cuba. The type of weaponry involved rules out missions to control flights to and from Cuba or defensive actions that, on the other hand, are unthinkable given the disparity of forces between Cuba and the United States — which makes it impossible for David to attack Goliath. It was also learned on Thursday that when the government in Havana shot down two airplanes from the Brothers to the Rescue exile group, the U.S. military authorities had studied reprisals that reportedly involved the "surgical" bombardment of an air force base or a naval blockade. Simultaneously, high-ranking Pentagon officials revealed three worrisome facts: that they have studied a military action plan for a Cuban setting for quite a time, which is expected; that great pressure is being exerted by the Republican Party to implement the plan; and, lastly, that the Atlantic Command and the Pentagon have cautioned not to step up the measures against Cuba or to close every opportunity for a political negotiation of differences because, they argue, "Cuba is not Haiti."

It is evident that relations between Havana and Washington depend on any provocation or inconsiderate action that extremist exiles in Miami may carry out, with or without the participation [convivencia] of U.S. political groups or the U.S. administration. These exiles have excellent contacts with the mafia and extreme right groups of the country in which they sought asylum; and they want to rush the situation toward a military confrontation, which they expect will lead to the Cuban Government's downfall. All it would take is a new flight over Cuban land or waters with the U.S. civilian and military authorities' indulgence or support for the carefully accumulated gunpowder to explode, creating a tragic situation for Cuba and all the neighboring countries. The gathering of military forces worsens the danger, which threatens all Latin American people, the right to self-determination, international laws, and peace on our continent. In fact, Cuba "is not Haiti" and a U.S. military aggression could provoke a long, bloody conflict with grave repercussions throughout Latin America.

The caution that high-ranking U.S. military leaders want to show is not guarantee enough. First of all, the military never reveal their military targets when they want to act; and they consider it a good tactic to appear as the victims of other people's intransigence, forced to fight against their will. Therefore, they can hardly be believed. Second, they are not immune to pressure from the powerful political establishment [preceding word in English] and weapons industry, which might lead them to embark on such adventures.

Therefore, the very fact that they talk about war, although in a limited way, and military pressure is intolerable and the specific charges by the weak side must be taken into consideration. Mexico has a tradition of defending peace and has always defended the Cuban people's self-determination. Now, more than ever, it is proper to tell the U.S. authorities, which have a long history of aggression and occupation in our country and our region, to keep their hands off Cuba's rights; and that only the Cubans on the island can decide their own destiny.

Mexico: Military Threat to Institutions Cited

96CA0151A Mexico City REFORMA in Spanish 21 Mar 96 p 1

[Commentary by Lorenzo Meyer, Colegio de Mexico historian and international relations specialist: "The Armed Forces and the Present Situation" — received via Internet]

[FBIS Translated Text] **An Accord in the Making**

Is there a plan to strengthen the military now that the presidency, the regime, and the state are weakening? The crisis is dragging on with no solution in sight. Is this why the Armed Forces have to be outfitted with new equipment and closer relations established between them and the United States? And if this is the case, can such closer ties withstand the huge asymmetry between the militaries of Mexico and the United States, which is even greater than between their economies, without weakening our sovereignty? These and other questions must now be asked in the wake of news reports about a new relationship between our Army and Navy and their U.S. counterparts.

A close, direct relationship between neighboring but altogether unequal Armed Forces that is allowed to evolve in accordance with its own logic has the potential of turning into a problem for the weaker country. On the one hand, it could constrain the country's independence and, on the other, could create an imbalance inside its political system, since it could turn a secondary and subordinate actor, the Armed Forces, into another central and autonomous player, something that is harmful to its evolution within a democratic framework.

But why the foregoing concern? According to recent news reports, the United States has proposed institutionalizing cooperation between its military and Mexico's, to the extent of conducting joint military maneuvers on land and at sea over the coming 12 months (REFORMA, 15 and 17 March). The source of this latter piece of surprising news was none other than the U.S. secretary of defense, William Perry.

It took longer for the plan for joint maneuvers to become publicly known in Mexico than for the Foreign Relations Secretariat to declare that "bilateral cooperation (between Mexico and the United States) does not include, under any circumstances, joint exercises between the forces of the two nations." The Pentagon clarified this later on: the joint maneuvers were nothing more than a possibility to be discussed during the Mexican defense secretary's next trip to Washington. By the time the smoke around the news reports and the denials had lifted, one thing was clear: military cooperation between Mexico and the United States is being institutionalized through a bilateral group consisting of the Foreign Relations Secretariat, the Defense Secretariat, and the Navy Secretariat. The makeup of the group raises this inevitable question: given this triangle of bureaucratic power, will the Foreign Relations Secretariat be able to preserve the civilian definition of the national interest and sovereignty? Only time will tell.

There are four official issues to be addressed by the brand-new bilateral civilian-military group: 1) modernization of military equipment; 2) training courses and academic cooperation between militaries; 3) military cooperation in the battle against drug trafficking; and 4) cooperation to cope with natural disasters. Asymmetry is inevitable given this agenda. Indeed, it is hard to imagine that Mexico could lend substantive assistance to the U.S. military in the event of a disaster there. As for the modernization of equipment and the training of military personnel, the influence can only be in one direction. Finally, on the delicate issue of drugs, the arrangement itself shows that a long-standing U.S. position has been adopted from the outset: involving Latin American armies in combating drug trafficking. The existence of a two-nation group of soldiers, sea-men, and diplomats implies addressing the problem of drug trafficking from the traditional U.S. perspective, in other words, supply. The fact is that such a group can help only to enhance the effectiveness of interdiction efforts, but not to fight drug consumption inside the United States (which is the only solution to the problem, if there is one), inasmuch as this issue remains the exclusive province of the Americans. In summary, when it comes to the production and shipment of drugs the United States can intervene in other countries, but when it comes to the consumption of 80 percent of the drugs produced in the world the United States alone makes decisions and takes action.

A Qualitative Change?

It became obvious months ago that intensive negotiations were under way between the Pentagon and the Mexican Armed Forces. Our defense secretary's trip to the United States in June 1995 was not routine, but the one that the U.S. defense secretary made to our country in October was even less so. There was simply no precedent for such a trip, not even during World War II, when circumstances made close, direct collaboration between the two militaries inevitable. A glance at history may help us to place this new development in direct relations between the Mexican and U.S. Armed Forces in perspective and to assess its advisability.

Once Mexico had managed to thwart Spain's efforts at a reconquest in the 1820's, the principal, though not the sole, threat to Mexico's integrity and sovereignty came precisely from the United States. During its initial phase, the conflict between Mexico and its neighbor to the north was over territory, and the outcome was military and altogether unfavorable to Mexico (the war of 1847), as were the subsequent negotiations, under threat, over La Mesilla in December 1853 (we lost another 78,000 square kilometers). The McLane-Ocampo Treaty would also have been unfavorable to us, but the North-South struggle in the United States scuttled it. After the American Civil War ended in 1865, Mexico's chief problem vis-a-vis the United States was border claims and control. Once again the military factor was dominant, as U.S. forces often crossed the Rio Grande and entered Mexico.

As the 19th century drew to a close, the main issue for Mexico and its neighbor to the north was economic. However, when the Mexican Revolution broke out in 1910, bilateral relations once again grew tense, and once again swords were brandished, although in the end the clashes turned out to be minor and contained. It was only after the Calles-Morrow Accord of 1927 that U.S.-Mexican relations became basically economic and political once more. Indeed, since then the military element has not been a major factor in relations between Mexico and the United States. Nevertheless, the fact remains that if there is any country that still poses a potential military threat to Mexico, it is the United States. So then, does it make any sense to ease the U.S. military's access to our relatively weak military machine? Until we have new equipment, and from the standpoint of the national interest, the answer is no. The fact that our economic system is being integrated into that of the United States through neoliberalism does not mean that the military has to do likewise; the logic of the two spheres can be kept separate.

The Exception

There was a time when the healthy distance between the Armies of Mexico and the United States was suspended: during World War II. Although remote, the possibility of a Japanese attack on U.S. territory through Mexico brought the national interest of the two countries together and led to cooperation, but with extreme caution and only temporarily, as it lasted only for the duration of the war. And to ensure that the national interest took priority over the corporative interests of the military, President Manuel Avila Camacho made the unusual decision to appoint the most nationalist of generals, former President Lazaro Cardenas, first as commander of the Military Region of the Pacific and later as defense secretary.

Cardenas was painstaking to a fault in preventing cooperation with the United States from weakening Mexico's sovereignty. His relations with General John L. DeWitt, his U.S. counterpart, were never easy, nor was the work of the Mexico-United States Joint Defense Commission (see Blanca Torres, "Historia de la Revolucion Mexicana," Mexico en la segunda guerra mundial, 1979, pp 113-150). When the world war was over, military cooperation ended as well. When the Cold War broke out shortly thereafter between the United States and the USSR, the countries of Latin America willingly or under pressure agreed to sign military-cooperation accords with the United States, but Mexico was the exception and established a precedent. In February 1952, in an international atmosphere colored by the Korean war, the U.S. Army made a direct effort to include Mexico in its anticommunist military network and, to this end, sent a delegation headed by Major General Edward M. Jones. After two weeks of difficult negotiations, President Aleman, despite being called "Mr. Amigo" in the U.S. press, rejected the agreement, and General Jones returned to Washington empty-handed.

Mexico remained militarily backward after that, but in the wake of the ensuing Latin American military coups there can be no doubt that we gained a great deal and lost nothing by preventing the Mexican military from drawing too close to the U.S. military.

Owing to our proximity to the world's only superpower, the defense of Mexico's sovereignty through military means is not feasible. After World War II the Mexican military has been used chiefly to assist the population in the event of natural disasters but also to go after certain political enemies of the regime and, in recent times, to help out in the impossible task of eradicating drug cultivation and combating narcotics trafficking, this being a task in which no military has scored a definitive success. Today, as crime in the streets and in the countryside grows alarmingly, the possibility of using the military for tasks that are properly those of the police is being looked into, a clear sign of a crisis in the machinery of the state.

Questions Without a Clear Answer

Why establish closer relations today between the Mexican and U.S. militaries when the policy pursued since 1945 has been the opposite? Does the fact that the political regime is in crisis have something to do with it? Does someone in Washington or Mexico want to strengthen the Armed Forces precisely because civil institutions are failing?

Of all the possible solutions to the crisis of legitimacy and effectiveness of a spent political system and a weak state, the least appropriate in the long term would be to give the military a role different from the one it has hitherto played. Actually, that would be no solution at all; it would merely worsen the problem. The strength to confront Mexico's late 20th century ills must come from the construction of democratic institutions, nowhere else.

Note: The author of this column is leaving for a month to teach an intensive course on Mexican history in a university overseas, and this may temporarily affect how regularly the column appears.

Mexico: Chuayfett Cites Key Interior Poll Findings

96CA0152A Mexico City REFORMA in Spanish 8 Mar 96 p 1

[Article by Maria de Jesus: "Crime Replaces Economic Crisis" — received via Internet]

[FBIS Translated Text] Interior [gobernacion] Secretary Emilio Chuayfett Chemor has asserted that in just six months time crime has replaced economic troubles as the main concern of the Mexican people.

"A public opinion study done by the secretariat that I head showed that six months ago economic troubles were the main concern of all Mexicans.

"The situation has changed today, as seven of 10 Mexicans feel that crime is now the main cause of anxiety in the republic," he indicated.

Presiding over the inauguration and first session of the General Council of Public Security, Chuayfett acknowledged that there are lags and shortcomings in the system for preventing and combating crime, which has made unsafe streets a critical, worrisome problem.

"The available data and statistics show us two opposing trends. While criminal violence is constantly rising, the efficacy and functionality of law enforcement institutions are declining dramatically."

This problem has cast a shadow over the social life of Mexicans, he told the members of the council, 30 governors (only Hector Teran Teran, the governor of Baja California, was absent), the mayor of Mexico City, the attorney general of the republic, and the secretaries of national defense, the Navy, and communications and transport.

The secretary indicated that the backwardness of the law enforcement system is reflected in scant investment and in the infrastructure for outfitting the police and that the implementation of ad-hoc, disjointed policies has done serious harm.

He added that owing to the lack of comprehensive criteria, inadequate funding, and the deficient distribution of law enforcement personnel, there is not a single policeman in 335 municipalities and between one and 10 in 749 others.

"We cannot fight organized criminals who have available sophisticated technology and weapons with obsolete information and disorganized police bodies," he underscored. The council seeks to coordinate action among the three levels of government to prevent and combat crime in the country.

The hope is that by late this year, Chuayfett said, the Data Bank with statistics on crimes, wanted criminals, automobile thefts, etc., will be in operation. The National Council of Public Security is also expected to be fully operational by that time.

Crime Statistics

- Most common crimes: robbery, assault and battery, homicide
- Federal crimes that have increased: against public health and possession of prohibited weapons

- Most crime-ridden states: the Federal District, Mexico State, Jalisco, Veracruz, Tamaulipas, Sonora, Chihuahua, Tabasco, Guanajuato, and San Luis Potosi

In 1995 there were 548 kidnappings, mainly in Guerrero, Chiapas, the Federal District, Michoacan, and Tabasco.

Bank holdups are most common in Jalisco, the Federal District, Mexico State, Sinaloa, Puebla, and Michoacan.

Between 1990 and 1994, 51,198 preliminary inquiries were begun in the federal jurisdiction, as a result of which 21,235 persons were indicted and 17,821 were convicted.

There are no policemen in 335 municipalities, and between one and 10 in 749 others.

Over the past 10 years 45,693 federal policemen and agents have received training.

There are 7,000 policemen and 3,000 agents of the Public Prosecutor's Office.

El Salvador

El Salvador: Exporters Say Panama Violating Trade Treaty

PA1404041196 San Salvador EL DIARIO DE HOY in Spanish 13 Apr 96 p 16

[Report by Marvin Portillo]

[FBIS Translated Text] The Corporation of Exporters of El Salvador (Coexport) yesterday supported charges from the local milk processing industry that has accused Panama of violating the Free Trade Treaty [FTA] for Preferential Exchange signed with El Salvador, and it asked the government "to enforce the necessary measures" that could lead to a break in the treaty.

As reported in our 12 April edition, the Association of Milk Processing Plants [Asociacion de Plantas Procesadoras de Leche, APPLE] accused Panama of engaging in disloyal commerce activities by exporting to El Salvador cheese that is processed in third countries but carries a Panamanian label.

Salvadoran cheese manufacturers have asked the government to send a mission to Panama to verify the origin of the Panamanian cheese sent to the country, and their request is supported by the exporters association.

Cheese producers accuse the Economy Ministry of "failing to act adequately" regarding previous reports on this same issue.

A communique issued by Coexport elaborated on the charges against the Central American country by requesting an investigation of why the entry of Salvadoran products in the Panamanian market is rendered difficult. Salvadoran exports to that country have dropped significantly despite the existence of this treaty.

Coexport stated that while Panama's exports are increasing through the FTA with El Salvador, Salvadoran exports are decreasing, thus resulting in a negative balance for El Salvador in its trade with Panama.

The association states: "It is important to bear this situation in mind and to analyze the obstacles preventing a greater flow of exports to Panama."

According to the exporters association, Panama's failure to comply with the FTA has been reported on various occasions, and it requests the adoption of measures to exert pressure on that country so it complies with the agreement.

The exporters recommend that El Salvador cancel the treaty if diplomatic measures prove useless.

It also states that the charges of the milk processing plants regarding Panama's violation of the place of origin regulations established in the FTA "is a situation that has previously occurred," so it demands a stronger attitude from the Salvadoran Government.

El Salvador exports medicine, food products, cardboard and paper, handicrafts, metal products, aluminum, and clothing to Panama and imports alcoholic beverages, medicine, cosmetics, and food products such as cheese.

In response to the cheese producers' public charges, Economy Minister Eduardo Zablah has said he has no objection to sending a mission to Panama to verify "in situ" the origin of the Panamanian cheese, and he did not rule out the possibility of canceling the treaty signed with that nation if it is ascertained that Panama is betraying the country's good faith in its trade relations.

Guatemala

Guatemala: U.S. 'Mistreatment' of Illegal Immigrants

PA1204175996 Guatemala City Televisiete Television in Spanish 1900 GMT 11 Apr 96

[From the "Channel Seven News" newscast]

[FBIS Translated Text] The Central American Parliament [Parlacen] has rejected the mistreatment of illegal immigrants in the United States. The Parlacen has announced that it will file a complaint before the Washington-based Inter-American Human Rights Committee for this mistreatment.

The plenum of the Parlacen, whose provisional headquarters are in Guatemala City, issued a resolution condemning the U.S. policy against illegal immigrants and their U.S.-born children. This statement was the result of last Monday's beating of three Mexican illegal immigrants by U.S. policemen. According to this resolution, the Parlacen will bring this case to the attention of the World Health Organization and of the Paris-based UNESCO. Through this resolution, the Parlacen urged Central American attorney generals and human rights commissioners to make joint statements against this situation that intimidates illegal immigrants in the United States.

The Parlacen is made up of deputies from Central America, excepting Costa Rica. The Parlacen underscored that most measures imposed by U.S. authorities harm millions of Central Americans who live and work in the United States along with other groups of immigrants.

Guatemala: Dismantling of Self-Defense Patrols Denied

PA1304235996 Guatemala City Televisiete Television in Spanish 1900 GMT 11 Apr 96

[From the "Channel Seven News" newscast]

[FBIS Translated Text] Deputy Foreign Minister Gabriel Aguilera has denied the dismantling of the Civilian Self-Defense Patrols [PAC] will take place soon, as the foreign minister supposedly has said in Geneva.

[Unidentified reporter] The Guatemalan Army will start dismantling the PAC's in two weeks, Foreign Minister Eduardo Stein has reportedly said in Geneva, Switzerland. He has said this decision is another sign of the resolve the new executive branch has to make life normal in this Central American country and to favor peace. He has said we have decided to take this step even though the agreements the previous government signed with the Guatemalan National Revolutionary Unity, URNG, in 1994 do not stipulate the dismantling of the PAC's until three months after the peace agreements are signed.

According to the foreign minister, the dismantling of the PAC's, the name used to call the committees of civilian defense volunteers, will start, according to Army plans, in the country's least conflict-ridden areas.

In the opinion of Federico Urruela, Guatemalan ambassador to the UN European headquarters, the entire country is a nonconflict-ridden zone, except for the departments of Chichen and Huehuetenango.

Members of the delegation that accompanied Minister Stein to Geneva to speak before the UN Human Rights Commission have said dismantling the PAC's means the Army will stop supplying weapons to them or favoring them, but the Guatemalan deputy foreign minister has denied the reports international news agencies have made public. He has said the PAC's will disappear when a peace agreement is signed:

[Begin recording] [Aguilera] It was decided that the PAC's are structures that will be dismantled after a firm and lasting peace agreement is signed.

[Reporter] After a peace agreement is signed?

[Aguilera] That is correct.

[Reporter] Will it not happen immediately?

[Aguilera] No, it will not happen immediately. It is subject to the peace process.

[Reporter] According to reports by international news agencies, it was supposed to happen in 15 days [words indistinct].

[Aguilera] I do not have the media reports with me; they were released a few hours ago. They may mention a timeframe after the signing of a firm and lasting peace agreement. The idea that some of these PAC's could be dismantled in nonconflict-ridden areas has been discussed before. I cannot confirm this news at this time, however, because I do not have the transcripts of the news conference. We are trying to obtain them.

[Reporter] [Words indistinct] spontaneous position by the foreign minister. It was something the government had planned [words indistinct] what the news was.

[Aguilera] The PAC's are definitely structures that emerged within the framework of the internal armed conflict. As it concludes, the duties of these groups are certainly expected to cease, because they will be dismantled. [end recording]

Panama

Panama: President on Extension of U.S. Military Presence

PA1204145596 Panama City LA PRENSA in Spanish 12 Apr 96 p 1A

[FBIS Translated Text] Rome, Italy — Yesterday, President Ernesto Perez Balladares suggested in Rome the possibility of negotiating an extension of U.S. military presence in Panama beyond the year 2000, but entirely unrelated to the Canal. The Panama Canal will be transferred to Panama in 1999 in keeping with a treaty signed in 1977.

"We have agreed with President (Bill) Clinton to study the possibility of some U.S. military presence in Panama, but not linked to the Canal," the Panamanian leader pointed out. Perez Balladares added that "we will not hold a plebiscite on this topic."

However, Perez Balladares admitted that there is a debate over "the cost, the advantages, and the value" of the military installations that are being reverted to Panama.

The president stressed that the canal administration will be "efficient and impartial" once it is transferred to Panamanian authorities by the United States.

According to reports disclosed in Rome, the U.S. and Panamanian Governments are reviewing a plan that would maintain some U.S. soldiers in the country after the transfer of the Canal, which is run by a U.S. federal agency administered by the two nations.

Currently, 7,500 U.S. soldiers are stationed in the eight bases located in the canal area under the supervision of the U.S. Southern Command.

Perez Balladares is conducting a European tour to promote foreign investment opportunities in the canal area once it is turned over to Panama.

The Panamanian president met yesterday with Prime Minister Lamberto Dini.

The leader said in a news conference that what is being currently discussed is whether or not it would be suitable to extend the presence of the U.S. military bases in Panama.

Perez Balladares was asked: To what extent does the presence of the 10,000 U.S. soldiers contribute to Panama's GDP? and To what extent would their departure have adverse effects on the Panamanian economy?

"Panama's GDP is $7.5 billion and the U.S. Government and its personnel spend $350 million a year, Economy and Planning Minister Guillermo Chapman answered. We do not believe the departure of the U.S. bases would represent an economic catastrophe, but rather it will be an economic change to which country will assimilate gradually."

The topic of the Canal was one of the points discussed by Perez Balladares in almost all of the meetings held in Brussels and later in Rome, because Panama wants to show the world that it is capable of managing the Canal, which "will continue to operate under the same guidelines of efficiency and nondiscrimination" that have prevailed thus far, the president explained.

He recalled that Panama is a doorway to a Latin American market of 450 million people. He added that "we have the possibility to designate the so-called reverted areas, military areas until now, and which, with the treaty (1977), will be turned over to Panama, to business activities."

Meanwhile, Perez Balladares proposed to Italian Prime Minister Lamberto Dini the creation of a coordination center against drug trafficking and money laundering in his country.

"Dini voiced his support for these suggestions and I believe we had the same reaction in Brussels when I discussed the topic with the EU representatives, Perez Balladares noted. Perez Balladares arrived in Rome on Wednesday, on the second leg of a European tour that will later take him to Paris.

The president believes that money-laundering operations constitute the "Achilles heel" of the drug traffickers and noted that in his country, "it is impossible to know the amount of money" coming from this source that might be deposited in the banks.

"Drug trafficking is not only a problem of the countries that produce or consume drugs. This problem is everyone's problem and this is why we should join forces," he emphasized.

Perez Balladares, who will be received in the Vatican by Pope John Paul II in a private audience, said that "his country will be very pleased to receive the Pope again" and that he would talk to the Pope about current social problems in Panama and Latin America.

Today, Friday, the Panamanian president will participate in a meeting with businessmen of Confindustria [expansion unknown], an organization comprised of Italian industrialists; will have a discussion; and will later have lunch with Italian President Oscar Luigi Scalfaro.

Panama: Article Views Interview With Gelbard

PA1104140996 Panama City LA PRENSA in Spanish 10 Apr 96 p 31A

[Article by Betty Brannan Jaen: "'Panama,' Synonymous With Shameful Things"]

[FBIS Translated Text] Washington, D.C. — I interviewed Robert Gelbard, U.S. Department of State's assistant secretary for international narcotics and law enforcement affairs, last Friday. Near the end of this interview, he told me among other things that he had just read a book that stated that the word "panama" was commonly used in Russia in reference to a front company that has been allegedly established for some illegal purpose. "If I were Panamanian," Gelbard remarked, "I would be anxious about my reputation."

After this interview was over, I stopped at the first bookstore that was on my way to ask for the book Gelbard had mentioned and fortunately, the bookstore had it in stock. This book was written by international journalist Stephen Handelman and its title is **Comrade Criminal: Russia's New Mafiya** (University Yale Press, 1995).

Just as Gelbard said, this book uses the word "panama" to refer to a front company created for some fraudulent purpose. Handelman describes, for instance, an obscure business in Russia in which a company was created allegedly with a capital of 200 million rubles, of which 150 million "did not exist." This business apparently included the exchange of the fictitious stock into dollars in order to transfer them out of Russia, and later file for bankruptcy. "Bitter experiences with this type of front company have already given birth to a new word among the young people who used to work with Yeltsin... they called these "panamas," Handelman writes. In the book's glossary, Handelman includes the word "panama" and defines it as "a front company usually created by bureaucrats in the nineties to evade taxes."

This is a synonym that hurts. In addition to the testimonies that we heard at Noriega's and Falcon-Magluta's trials that clearly disclosed that drug mafia of the worst kind used to travel to Panama to buy dozens of corporations, I believe it is obvious that we could not clear up our reputation at an international level unless we reform our corporation laws. I know that Panamanian President Ernesto Perez Balladares has spoken of the need to make these reforms. However, I am not abreast of the achievements in this regard.

I must underscore that besides condemning the "considerably high" level of illegal activities that are being carried out and the "billions" of drug money that are being laundered annually in Panama, Gelbard said the Perez Balladares administration has "dramatically" increased Panama's cooperation with the United States, although "much, much, much more" needs to be done. Gelbard commended Victoria Figge, Gabriel Castro, Ricardo Alberto Arias, and Jose Luis Sosa for their efforts. Gelbard emphatically pointed out that the United States has no evidence that drug money filtered into Perez Balladares' presidential campaign.

Gelbard believes that Perez Balladares has showed "more political resolve" in combating money laundering, however, it was hard to persuade him to give specific examples which objectively reveal the "political resolve" of any nation. After having asked him a number of times for specific examples, I was only able to reach the conclusion that the evaluation of a Latin American government's "political resolve", or a lack of resolve, is a totally subjective endeavor in which one takes into consideration the funds which a government has earmarked for the antidrug effort, the political courage with which the local corrupt fat cats have been pursued, and other intangible factors which no one wants to repeat out loud. Mr. Gelbard denied that the entire "certification" process was politicized, however, it seems obvious to me that some political factors influence the process.

In the case of Panama, one has to consider the fact that the DEA lost its credibility in Panama. You may recall that during the Noriega trial in Miami, the defense submitted a stack of letters which the DEA had sent the former dictator thanking him for his cooperation in the fight against drug trafficking, at the same time that, according to the prosecutors, Noriega was conspiring with the Medellin cartel to "put his country, his army, and his uniform," at the disposal of international drug traffickers. In 1968, the State Department "certified" that the Noriega regime was fully cooperating in the antidrug efforts (although it denied the regime certification in 1987 and 1988). With that track record, I asked Assistant Secretary Gelbard: "How can Panamanians believe in the DEA and the certification process?"

Gelbard replied: "The answer is that President Clinton has been much more serious concerning this issue that any previous president." Gelbard emphasized that President Clinton declared in the United Nations that his administration would give high priority to controlling money laundering.

In recent years, within its borders, the United States has reduced drug consumption significantly — for example, less than 4 percent of heroin addicts are in the United States — Gelbard pointed out. Gelbard said that one can no longer say that the United States, a consumer nation, is blaming the drug exporting nations without confronting its own problem. The United States accepts its responsibility, however it is a "responsibility shared" with the drug exporting countries, Gelbard said. He indicated that General Barry McCaffrey, the new U.S. drug czar, will dedicate 90 percent of his time to developing efforts to continue to reduce internal drug consumption, and that President Clinton has significantly increased the funds available to the czar.

However, much more convincing was an idea that Gelbard brought up over and over during the interview: The idea that ridding Panama of drug crimes and protecting it from drug mafias is not something we should do to please the United States, but something that we should do to defend our own nation and its citizens. Do we want to see ourselves in Colombia's situation? Of course not. Do we want another narcogovernment that put our territory at the disposal of the drug cartels? No way. Do we want the word "panama," when used in foreign countries, to continue to be synonymous with ugly things? Impossible.

Then, it seems to me, we should set ourselves to the implacable task of ridding our country of money laundering, drug corruption, drug crimes, remnants of the drug dictatorship, and the new incursions of drug interests. We should not do this to please the United States, or because Mr. Gelbard orders us to do so, or because the United States will punish us with economic sanctions if we don't do it. We should do it because our honor and our survival depend on it.

Panama: Country To 'Redefine' Relations With U.S.

PA1104191196 Panama City Telemetro Television Network in Spanish 1730 GMT 10 Apr 96

[Interview with President Ernesto Perez Balladares by ECO reporter Jose Luis Arevalo in Brussels; date not given; from the "Telemetro Reports" newscast — recorded]

[FBIS Translated Text] During his visit to Belgium, President Ernesto Perez Balladares gave an interview to ECO [Global Communication Enterprise]. The president spoke about his proposal to 15 EU member countries to participate in the Panama Canal's reorganization after it reverts to Panama.

[Begin recording] [Arevalo] Would you comment briefly about the objectives of your visit to Brussels?

[Perez Balladares] Certainly. First, we visited Brussels, which is the EU center, because we would like to convey here a message of reassurance to Panama Canal users. We would like to assure them that we Panamanians are fully capable of administering and maintaining the Panama Canal just as well as the U.S. administration has been doing so far. European users of the Panama Canal can rest fully assured that the Canal will remain efficient beyond the year 2000, when its administration will completely revert into Panamanian hands. Furthermore, we would like to explore the possibilities of foreign investment by private European investors in the so-called reverted areas, which formerly had a strategical military purpose, and which we now attempt to use for trade and world integration. And finally, we would like to promote the EU's support and interest, which already exists, regarding the possible expansion of the Panama Canal, which now becomes necessary in view of increasing world trade. This expansion had not been considered in the initial studies that were made in the early seventies.

[Arevalo] In what physical conditions is the United States leaving, so to speak, the canal installations?

[Perez Balladares] Right now we are precisely evaluating the physical installations. This evaluation is being a carried out by a commission of the U.S. Army Corps of Engineers which, as you well know, was in charge of the initial construction of the Panama Canal and therefore, it is to some extent not only responsible for, but also proud of this construction. In addition, this evaluation is being carefully watched over and reported on by a Panamanian commission. This commission includes engineer Alberto Aleman Zubieta, whom I recently have appointed as the next Panama Canal administrator. By the end of this month we will receive the first report on the physical conditions of the canal installations regarding the possible need for additional investment, or the previous lack of investment for canal maintenance as well as the possible consequences thereof.

[Arevalo] Will U.S. troops remain in Panamanian territory beyond the year 2000?

[Perez Balladares, laughing] We Panamanians are examining this subject right now. Let me tell you that troops in the fashion of traditional military bases will no longer remain. At this moment, we are redefining our very long and historical relations with the United States. I would not like to predict the conclusion of this redefinition. Our government has recently entrusted a group of independent economists to make an evaluation of the value of the reverted installations, the maintenance cost of some of them, and their possible use and benefit with and without U.S. presence. We are currently discussing and sharing this study and its conclusions with Panamanian political groups so they may become informed. We believe it will be necessary to make a final evaluation afterwards before making our own decision. However, I believe it should be noted that my government will in fact redefine Panamanian-U.S. relations in anticipation of the 21st century regardless of the final outcome on the subject of U.S. military presence in Panama beyond the year 2000. [end recording]

Panama: Government Said 'Already Decided' on Bases

PA1304150496 Panama City EL SIGLO in Spanish 12 Apr 96 p 14

[Article by David Daniel Victoria]

[FBIS Translated Text] Labor Minister Mitchel Doens affirmed yesterday that the government has already decided how it will use the military bases that will revert to Panama, therefore the United States should request negotiations to discuss the permanence of U.S. troops in these installation after the year 2000.

Doens said that the government has been very clear regarding the issue of the U.S. military bases and its position is to fully complying with Torrijos-Carter TReaties, although the Perez Balladares Administration does not have a "closed door" policy.

PRD Deputy Secretary Doens assured that national interest is being taken into account regarding possible negotiations with the United States on the permanence of these installations after the year 2000.

Doens said that the issue of the military bases as a guarantee to effectively combat drug trafficking is not being discussed. Doens added that a decision has been reached regarding the use of these facilities.

Panama: Inconsistencies in Press Office Report Noted

PA1504042496 Panama City LA PRENSA in Spanish 12 Apr 96 p 1A

["As of Today" editorial column]

[FBIS Translated Text] The Foreign Ministry's press office, which is always so diligent in distributing communiques that report Perez Balladares' activities and declarations during his trips abroad, seems to have its own list and it is quite different from the one that the president reports. The president stated in Rome that the continuity of U.S. military presence in the Republic of Panama, *in the terms and conditions in which it has been known,* will not be extended in any way beyond 31 December 1999. Although this is the way the Foreign Ministry's press office reports the statements, it introduces a subhead that totally distorts Perez Balladares' statements. According to the subhead, *the U.S. military presence will conclude in 1999,* which suggests that there will be no exploratory talks of any kind on the possibility of agreements to maintain a few of the existent bases or that others be established to serve different purposes. This, however, was not what the president stated. When he stated that the U.S. military presence, *in the terms and conditions in which it has been known,* will not be extended beyond the year 1999, he was obviously referring to those established in the existent treaties and not to future agreements for other purposes. Otherwise, it would not make any sense that, at the request of the U.S. president, the possibility of studying some other type of future U.S. presence in Panama has been considered. This, however, was not how the Foreign Ministry's Press Office understood it. Perhaps this happens because there is none so blind as he who refuses to see and none so deaf as he who refuses to hear.

Panama: Study on U.S. Bases Said To Contain Contradictions

PA1404041096 Panama City EL UNIVERSAL DE PANAMA in Spanish 13 Apr 96 p A1

[Report by Michelle de la Ossa]

[FBIS Translated Text] The Panama Canal and International Studies Institute of the University of Panama has stated that the economic study on the military bases prepared by economists Juan Galan Ponce and Marco Fernandez contains basic omissions and contradictions in its figures and the interpretations made from them.

The institute's opinion insists that certain areas and installations of the Canal zone will have reverted to Panama prior to the year 2000. Specific uses have been identified for these areas and installations, which represent revenues for the Interoceanic Region Authority (ARI) that could be used to set up a reserve fund for the maintenance of these areas.

The report of economists Fernandez and Ponce states that only one-third of the areas to be reverted will be effectively used during a 25-year period, thus triggering a high maintenance cost for the areas not used.

Due to this finding, the economists have recommended the permanence of certain military installations, especially at Fort Sherman and Howard Air Force Base. The study has stated that the annual maintenance costs for all the installations that will revert amounts to 20 million balboas, at 1995 prices, which will prompt the need to seek additional financings to be included in the ARI budget for the year 2000.

The institute has stated that the study only sought to justify the permanence of the military bases beyond the year 2000 under the pretext of maintenance costs, but the institute has noted that the economists have failed to explain the manner in which the additional financing will be obtained to cover the 17.1 million balboas a year needed for the maintenance of the other areas that will revert to Panama.

The economists also have ruled out any negotiations involving the payment of rent at defense sites; instead, they have recommended to negotiate alternate forms of compensation, most of which could constitute negotiation issues in bilateral agreements with the U.S. Government.

The study has noted that the development of these areas, which comprise 5,800 hectares, in a 25-year period will allow the creation of more than 100,000 jobs that will constitute a relief for the domestic labor market.

According to the figures of the economists, the project to develop the reverted areas has a high profitability rate, but the study fails to see the significance of the indicators.

Panama: 'Expert' Considers Referendum on U.S. Bases

PA1404145396 Panama City EL SIGLO in Spanish 14 Apr 96 p 2

[By Yuriela Sagel]

[FBIS Translated Text] Diogenes Arosemena, an expert on the Constitution, cautioned on 13 April that if no referendum is held, a continued U.S. military presence in Panama beyond the year 2000 would clearly be an "unauthorized foreign military occupation." Arosemena said that President Ernesto Perez Balladares' talk about a U.S. military presence in the country is only "fuss and legalism" used to duck public criticism. Arosemena said that in lawful states there is no norm demanding that referendums be held to approve canal treaties or any other kind of agreement. The expert said that the nation's authorities must carefully study any plan to prolong the presence of the U.S. military bases since before this happens, an agreement regulating the bases' presence on the canal banks is necessary. Arosemena said that all drafts of agreements on the presence of U.S. military forces must be presented for the people's consideration. Arosemena cautioned that nothing prevents the Perez Balladares government from reaching agreements on the military bases without the approval of all Panamanians. President Perez Balladares said during his European tour that there will be no referendum on allowing the United States to maintain the canal administration and explained that right now there are talks about the suitability or not of maintaining the presence of U.S. military installations in Panama. Perez Balladares said that if the U.S. military presence continues it will be under conditions different from those that existed in 1977, when the Torrijos-Carter treaties were signed.

Argentina

Argentina: Di Tella Receives UK's Rifkind; Talks Slated

PY1304162496 Buenos Aires TELAM in Spanish 1545 GMT 13 Apr 96

[FBIS Translated Text] Puerto Iguazu, 13 Apr (TELAM) — Malcolm Rifkind, British secretary of state for foreign and commonwealth affairs, arrived at midday at the Tancredo Neves International Bridge that spans the border between Brazil and Argentina, where he was received by his Argentine counterpart Guido Di Tella.

The two officials and their entourage will visit Iguazu Falls and then have a meeting at the International Hotel in this tourist resort, during which they will analyze bilateral relations between Argentina and the United Kingdom.

Argentina: Di Tella, UK's Rifkind To Discuss Fishing Issues

PY1304173396 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1646 GMT 13 Apr 96

[FBIS Translated Text] Puerto Iguazu, 13 Apr (NA) — Foreign Minister Guido Di Tella and his British counterpart Malcolm Rifkind met at the border between Argentina and Brazil at noon. Immediately afterward the two officials drove to the Iguazu National Park to view the exotic landscape of Iguazu Falls. Then they will have a meeting to analyze the issue of fishing in the South Atlantic.

The officials were dressed in casual clothing and accompanied by a reduced entourage. Rifkind and Di Tella boarded a small boat and sailed to the bottom of Devil's Throat, the largest fall in the system.

Smiling and in a good mood, Rifkind and Di Tella put on their life preservers and sat in the stern of the boat while chatting about the national park's natural beauties.

Later, and before the meeting that is scheduled for 1400 at the International Hotel, both officials toured the jungle galleries leading to the Salto Bossetti lookout, where they posed together for photographers and film takers.

"We have started breaking the ice," Di Tella said with a smile, in obvious reference to the resumption of the dialogue between both offices following the incident in February, when Great Britain intercepted, near the Georgia Islands, two fishing vessels flying the Argentine flag.

This, precisely, will be the central topic of the conversation between the two officials during the afternoon, which will include a luncheon at the Devil's Throat restaurant, in the International Hotel, where both delegations are staying temporarily.

Argentina: Di Tella, UK's Rifkind on Renewed Fishing Talks

PY1304195996 Buenos Aires TELAM in Spanish 1843 GMT 13 Apr 96

[FBIS Translated Text] Puerto Iguazu, 13 Apr (TELAM) — Foreign Minister Guido Di Tella today announced the resumption of the dialogue on fishing in the South Atlantic with the purpose of seeking a long-term agreement with Great Britain.

At the end of the meeting with his British counterpart Malcolm Rifkind, Di Tella said that "we have still not set a date for the resumption of talks, but the two governments have expressed their political will to reach an understanding."

Malcolm Rifkind, secretary of state for foreign and commonwealth affairs, at the end of the meeting with his Argentine counterpart Guido Di Tella in this city today, said he was pleased "that our bilateral relations have returned to the right track."

Rifkind said: "I had a telephone conversation from this city with (President) Carlos Menem, to whom I conveyed Prime Minister John Major's greetings."

[Buenos Aires NOTICIAS ARGENTINAS in Spanish at 1858 GMT on 13 April, in a related report, notes that "the governments of Argentina and the United Kingdom agreed this afternoon to resume the negotiations on fishing in the South Atlantic. As a first step, the two countries decided to submit the case of fishing in Georgia Island waters to the Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR).

["The agreement in principle was reached during a meeting between Foreign Minister Guido Di Tella and Malcom Rifkind, state secretary for foreign and commonwealth affairs, at the Hotel International, near Iguazu Falls, this afternoon.

["The talks on fishing between Argentina and the United Kingdom have been frozen since February, following the British Government attempt to charge a fishing fee from Argentine fishing vessels in the zone of the Georgia Islands.

["The two foreign affairs officials held a short news conference at the end of a luncheon scheduled for after the meeting."]

Argentina: Very Slow Exit From Recession Foreseen

PY1204204496 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1049 GMT 12 Apr 96

[FBIS Translated Text] Mendoza, 12 Apr (NA) — Economists Roberto Frenkel, Javier Gonzalez Fraga, and Adolfo Sturzenegger believe the country will pull out of the recession "very slowly" and predicted difficulties regarding the flow of foreign capital because U.S. interest rates will continue to rise.

They disagree, however, over the survival of the convertibility plan. Only Sturzenegger believes the current economic policy will remain until the end of President Carlos Menem's mandate.

Frenkel believes the economic program is "extremely frail due to the instability of the flow of capital (which they consider is the 'motor' of the plan) and infighting within the government."

Sturzenegger believes the political atmosphere is "much more favorable" than it was a few months ago, although he warned about the fiscal weaknesses and the inflexible public expenditure policy.

The economist believes that the fiscal deficit this year will amount to $5.2 billion, almost twice what the government promised the IMF.

Sturzenegger said that to meet the goals included in the letter of intent with the IMF, tax and social security revenues must grow "by about 22 to 23 percent" throughout the year.

Former Central Bank President Gonzales Fraga said the government "should make every possible effort to lower the exchange rate."

Gonzales Fraga said: "An orderly exit from the convertibility plan should lead to the revaluation of the local currency."

Last night the three experts participated in a round table on the "prospects of the Argentine economy" during the Fourth Tax Seminar held in this city, organized by the Economic Science Professionals Council of the Federal Capital.

The three economists agree that expectations regarding U.S. interest rates is "extremely uncertain and with a tendency to rise," and at the same time said there are no firm indicators on the reactivation of the Argentine economy.

Gonzales Fraga warned that for Argentina "the international panorama for the coming 12 months is worse than the one over the past year" and predicted the exhaustion of the world liquidity cycle.

He said the Argentine economy will grow by 2 percent this year, although he said the possibility of a reactivation may be affected by the credibility of the economic team and the fiscal situation.

Frenkel said: "There is no guarantee that economy will recover this year because there are no solid reactivation indicators."

He added: "The government faces a dilemma because it needs to reactivate, even to pull out of the fiscal deficit, but if it does so based on consumption it will repeat the great mistake of the first years of the convertibility plan."

Sturzenegger predicted a "very mild" recovery throughout this year but warned about the fiscal deficit and wondered if it may be financed with the current prospects of the international market.

Argentina: Use of Armed Forces in Drug Enforcement Opposed

PY1204164496 Buenos Aires TELAM in Spanish 1416 GMT 12 Apr 96

[FBIS Translated Text] Buenos Aires, 12 Apr (TELAM) — President Carlos Menem confirmed today that the Armed Forces in Argentina are not in a position to participate directly in drug enforcement.

Menem told Radio Rock and Pop [name of station in English]: "In Argentina, the Armed Forces are not in a position to become involved in drug enforcement. This is something for the security forces: the National Border Police, the Argentine Coast Guard, the federal police, and the provincial police."

The president noted: "I don't see why the Army or the Armed Forces have to become involved in this issue. They have other duties, except for situations that are very difficult to control, which I do not believe will be the case in our country."

Asked if the Armed Forces would become involved in drug enforcement in case of a drug-trafficking scenario resembling that prevailing in Bolivia or Colombia, Menem pointed out: "There is a huge difference between what unfortunately is happening in Colombia, Venezuela, or Bolivia and what is happening in Argentina."

Asked about reports noting that the Armed Forces' involvement in drug enforcement would permit them to gain access to increased funds, bearing in mind their current budget, Menem indicated: "Their funds cannot be compared with those of other times, but they can carry out their proper tasks."

The president emphasized: "The Army, the Armed Forces, are not prepared to become involved in a type of struggle such as that waged against drug trafficking."

Asked what would happen if the United States recommends the Armed Forces' involvement in drug enforcement, Menem answered: "It would merely be a recommendation."

Menem emphasized: "I would ask if, in the United States, the Army or the Armed Forces are involved in drug enforcement, bearing in mind the fact that, at this moment, it is the largest drug consumer."

Argentina: Prosecutors Seek More Indictments in IBM Case

PY1204181996 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1553 GMT 12 Apr 96

[FBIS Translated Excerpt] Buenos Aires, 12 Apr (NA) — Government attorneys Carlos Cearras and Pablo Recchini filed appeals today against the indictments handed down by Federal Judge Adolfo Bagnasco in the case involving the investigation into the National Bank's computerization by the IBM company. The two government attorneys asked for National Bank President Aldo Dadone's preventive custody and imprisonment. [passage omitted]

The government attorneys also want Juan Carlos Cattaneo and Gustavo Soriani to be held in preventive custody, as they understand that "Cattaneo and Soriani could serve a sentence." The two government attorneys also want the lack of grounds sentence handed down on Juan Ignacio Garcia del Rio overruled.

The government attorneys are also challenging the amounts of the liens handed down by Bagnasco, describing them as "petty." The liens ranged between 500,000 and 1 million pesos, depending on the indicted person's level of responsibility. [passage omitted]

Argentina: Irish Deputy Prime Minister Meets With Di Tella

PY1204223596 Buenos Aires TELAM in Spanish 1825 GMT 12 Apr 96

[FBIS Translated Text] Buenos Aires, 12 Apr (TELAM) — Sources close to the Foreign Ministry reported that Foreign Minister Guido Di Tella and Irish Deputy Prime Minister Richard Spring today analyzed aspects of foreign policy and bilateral trade relations.

Spring and his entourage were received by the foreign minister at San Martin Palace at noon.

Prior to their meeting, the Irish deputy prime minister and the foreign minister laid a wreath at the monument to Liberator General Jose de] San Martin and then went to San Martin Palace on foot.

Spring's state visit to Argentina is of special interest since Ireland will assume the EU pro-tempore presidency as of July.

The EU will then begin negotiating the terms of the trade liberalization of agricultural products, as provided for by the Framework Agreement on EU-Mercosur [Southern Cone Common Market] Cooperation signed on 15 December 1995.

Spring's visit should be seen in the context of the bilateral dialogue which was enhanced during the visit of Irish Prime Minister [as received] Mary Robinson in March 1995.

At San Martin Palace, Di Tella and the Irish deputy foreign minister discussed bilateral trade. Argentina's trade balance with Ireland last year was unfavorable to the tune of $28.2 million, with exports standing at $7.1 million and imports at $35.4 million.

Argentina imports equipment, chemicals, and pharmaceutical products from Ireland and exports cattle feed. It has difficulties placing its beef on the Irish market due to alleged "animal health reasons."

Following the working meeting, Di Tella hosted the Irish deputy prime minister and his entourage at a dinner at San Martin Palace.

Brazil

Brazil: UK Foreign Secretary Arrives on State Visit

PY1204235296 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 12 Apr 96

[Report by Claudia Moreira from Sao Paulo]

[FBIS Translated Text] In Sao Paulo, Malcom Rifkind, UK secretary of state for foreign and commonwealth affairs, has announced that Britain is interested in boosting investments in Brazil.

In the opinion of the UK foreign secretary, the Brazilian economy is healthy and is increasingly gaining the confidence of UK authorities and business representatives. With around $20 billion invested here, Britain is the third-largest foreign investor in Brazil, after the United States and Germany. UK exports to Brazil grew by 92 percent from 1992 to 1994, and they increased by 28 percent last year alone.

In Rifkind's view, there is still much room for improvement in bilateral relations. The UK foreign secretary will discuss this question with President Fernando Henrique

Cardoso, Finance Minister Pedro Malan, and Communications Minister Sergio Motta in Brasilia on 16 April.

Rifkind arrived in Sao Paulo this afternoon for a four-day state visit to Brazil, during which he will have a very busy agenda.

Brazil: Cardoso Launches 4-Year Investment Program

PY1304035896 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 12 Apr 96

[Report by Alana Gandra from Rio de Janeiro]

[FBIS Translated Text] President Fernando Henrique Cardoso launched in Rio de Janeiro today a multiyear investment program [PPA] which envisions investments of 459 billion reals [R] over a four-year period.

Planning Minister Jose Serra defined the PPA as the horizon on the map of Brazil for the next four years and as a tool to attract foreign investment and financing. The PPA contains the fundamental guidelines for Brazil's development in the area of infrastructure, which will entail investments of federal, state, and municipal resources as well as the participation of the private sector and foreign companies. Serra said:

[Begin recording] The PPA shows the enormous potential Brazil has, including that of Rio de Janeiro, an essential part of the southeast hub of development in Brazil, which in my view will become the most important hub of development in the country in 10 or 15 years. [end recording]

Sepetiba Port will be the chosen point in the southeastern region of Brazil, made up of the states of Matto Grosso, Matto Grosso do Sul, Espiritu Santo, Rio de Janeiro, Minas Gerais, and northern Sao Paulo. The federal government is to invest R135 million in Sepetiba Port, and R150 million will be allocated from the proceeds of the privatization of Light [Power Services Inc.]. Private sector investments will add up to R1.5 billion.

Brazil: 1996 Budget Bill Figures Announced

PY1204013496 Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Apr 96 Section 1 p 6

[FBIS Translated Excerpt] Congress yesterday approved the 1996 budget through a symbolic voting session by party leaders. The PT [Workers Party], PC do B [Communist Party of Brazil], and the PDT [Democratic Labor Party] voted against the bill, alleging that the revenue from taxes and contributions has been overestimated.

The congressmen also approved the multi-year plan of investments for the 1996-1999 term.

The opposition described the plan as farcical, mainly because it promises to spend 318.4 billion reals [R] in the social area over the next four years.

Of those resources, R185 billion will be used to pay social security benefits.

Deputy Paulo Bernardo, PT deputy leader in the Chamber of Deputies from Parana State, said that if the budget bill is "science fiction," the multi-year plan "is Midsummer Night's Dream." [passage omitted]

National Budget (in Reals at average 1996 prices)

Branch/Agency	Allocation as Approved
Legislative Branch	76,089,111
—Chamber of Deputies	24,628,000
—Senate	39,820,117
—National Accounting Office	11,641,000
Judicial Branch	197,683,488
—Federal District, Territories Court	11,960,000
—Labor Court	82,876,088
—Electoral Court	33,151,300
—Federal Court	51,276,100
—Military Court	1,930,000
—Superior Court of Justice	4,200,000
—Federal Supreme Court	12,290,000
Executive Branch	9,618,242,817
—Presidency	145,497,848
—Ministries:	
—Federal Administration	10,360,398
—Aeronautics	568,277,703
—Agriculture	611,553,951
—Science, Technology	88,038,658
—Communications	51,444,159
—Culture	21,472,962
—Education and Sports	876,273,440
—Army	404,243,829
—Finance	480,330,876
—Industry, Commerce	57,682,289
—Justice	81,487,828

Branch/Agency	Allocation as Approved
—Navy	299,160,661
—Environment	785,072,381
—Mines, Energy	16,958,938
—Planning, Budget	1,400,040,084
—Social Security	153,268,353
—Attorney General's Office	23,741,374
—Foreign Affairs	12,484,000
—Health	1,258,271,373
—Labor	39,117,286
—Transportation	2,206,103,276
—Special Sports Office	27,361,350
Total	9,892,015,422

Brazil: Supreme Court Suspends Social Security Reform

PY1304035296 Sao Paulo AGENCIA ESTADO in Portuguese 2233 GMT 12 Apr 96

[FBIS Translated Text] Brasilia, 12 Apr (AE) — Justice Marco Aurelio Mello of the Federal Supreme Court (STF) today issued a preliminary decision suspending the Social Security Reform in the Chamber of Deputies. In his decision, Mello maintains that the rapporteur of the bill, Deputy Michel Temer (PMDB-SP) [Brazilian Democratic Movement Party-Sao Paulo], violated internal Chamber of Deputies regulations by adding in his report articles that were not part of the amendments presented to the original bill drafted by the executive branch. Mello also understands that the Chamber of Deputies cannot vote on the bill during the same legislative term as the one in which the reform had been previously rejected in the house.

The preliminary decision was issued in response to a complaint filed by the PT [Workers Party], PDT [Democratic Labor Party], PSB [Brazilian Socialist Party], and PC do B [Communist Party of Brazil]. "I have issued the preliminary decision so that the Chamber of Deputies will abstain from continuing to process constitutional amendments 33A-95," states the decision issued by Justice Mello.

[Rio de Janeiro Rede Globo Television in Portuguese, in an item on the same subject during its regular 2300 GMT newscast on 12 April, adds: "President Fernando Henrique Cardoso commented in Rio de Janeiro a while ago on the STF decision to suspend the Social Security Reform in Congress. The president said that a STF decision cannot be argued and that he will meet with party leaders to attempt to overcome the impasse."]

Brazil: Central Bank Restricts Nonresident Dollar Accounts

PY1204175396 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Apr 96 p B3

[FBIS Translated Text] Brasilia — Gustavo Franco, director of the Central Bank [BC] Foreign Department, yesterday announced that, from now on, further restrictions will be imposed on operations conducted by holders of CC5 [Circular Letter No. 5] accounts (which are opened in Brazil by nonresidents). This means that the account holder will be allowed to withdraw from his account in Brazil only the same amount he had deposited there earlier. Regarding banking operations, only those institutions that are operating normally with customers, and that engage in business deals with financial institutions based in Brazil, will be allowed to freely operate through CC5 accounts.

The measure adopted yesterday by the BC raises problems for those banks reporting as their address just a post office box as a tax haven. Although they may open CC5 accounts, they could engage only in matching operations; that is, the amount of dollars leaving Brazil will be necessarily equivalent to the amount that had entered Brazil earlier.

Since the implementation of the Real Plan in July 1994, the BC has reported a heavy inflow of dollars through CC5 accounts, which, Franco conceded, could have been Brazilian capital that was being repatriated. From negative balances, the CC5 accounts began to have surpluses. Thus, in October 1995, the BC decided to levy a 7-percent IOF [Financial Operations Tax] on dollars entering Brazil through CC5 accounts.

Within 15 days, local banks having these accounts will be required to supply to the BC information regarding CC5 account holders, such as the CPF (Individual Taxpayers Register) number, and the nature and purpose of the account. The information will probably be supplied through the new Sisbacen [Central Bank System] program.

The new CC5 rules were issued through Circular 2677, which consolidates all the rules governing banking accounts of nonresidents.

Brazil: Lawmakers Try To Delay Decision on Sivam

PY1204175696 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Apr 96 Section 1 p 6

[FBIS Translated Text] The Senate could once again delay its decision on the Sivam [Amazon Region Surveillance System] project, because of a legal maneuver.

The CAE (Economic Affairs Committee) on 10 April approved a request from Senator Eduardo Suplicy (PT-SP) [Workers Party-Sao Paulo], who asked for consultations with the TCU (National Accounting Office) on the investigations that the organ is conducting into the project.

CAE President Gilberto Miranda (PMDB-AM) [Brazilian Democratic Movement Party-Amazonas] gave Senators Suplicy and Pedro Simon (PMDB-RS) [Rio Grande do Sul] the task of consulting with the TCU over the investigations.

"By Senate regulations, the project should wait until the senators undertake the task," Miranda said.

Article 335 of the Senate regulations sets forth that "the studying of any proposal may be temporarily suspended at the request of a commission or a senator, to await the result of an action." An identical maneuver suspended the Banespa [Sao Paulo State Bank] agreement for 30 days.

Brazil: Roundup of Economic Reports Through 12 Apr

PY1304185296

[FBIS Report] The following is a compilation of reports on economic activities in Brazil monitored through 12 April:

BASIC LEADING INDICATORS

Industrial Activity Increase Reported — The National Confederation of Industry has reported that Brazilian industrial activities increased in February. Compared to January, real sales increased by 2.53 percent, the number of hours worked in production by 0.44 percent, and the use of industrial facilities by 0.2. Employment in the industrial area, however, dropped by 0.71 percent for the 10th consecutive month. In the two first months of the year, the level of salaries dropped by nearly 9 percent. The improvement in industrial activities is due to orders placed in order to replace the large amount of products sold at the end of last year, as well as to reduction in the interest rate and decreasing insolvency. (Sao Paulo AGENCIA ESTADO in Portuguese 1622 GMT 9 Apr 96)

Sao Paulo Industries Dismissing Fewer — The Sao Paulo State Federation of Industries, Fiesp, has reported that, compared to February, the number of dismissals in Sao Paulo industries decreased by 0.87 percent in March. In February, 24,901 workers were dismissed, but only 18,274 were dismissed in March. From January to March, an overall 72,170 workers were dismissed, while in the same period in 1995 only 34,000 had been dismissed. (Sao Paulo GAZETA MERCANTIL in Portuguese 9 Apr 96 p A1)

FINANCIAL OPERATIONS

Foreign Investment Figures Reported — Since February, the amount of foreign reserves has not increased. This, however, has not inhibited the admittance of direct investments. The amount of direct investments made in the country during the three first months of the year totaled $1.162 billion. Gustavo Franco, director of the Central Bank's foreign area, believes these figures show the effectiveness of the measures adopted by the bank in February. One of these measures was the decision to charge Financial Operations Tax on foreign capital entering the country in order to be invested in privatization funds. As a result, $672 million entered the country in January; $153 million in February; and in March and April, to date, zero dollars entered the country. The admittance of capital, including in the first days of April, totaled $6.8 billion: in exchange operations linked to trade, $3.8 billion, and in financial operations, $3.08 billion. Direct investment in January totaled $454 million; in February, $261 million; and in March, $477 million. (Rio de Janeiro O GLOBO in Portuguese 9 Apr 96 p 18)

Honda To Manufacture Cars in Brazil — Sao Paulo Governor Mario Covas and Honda directors signed on 9 April a protocol making official the installation of a vehicle manufacturing plant in Sumare, in Sao Paulo. Production will begin in 1997 and the enterprise wants to capture 11.5 percent of the Brazilian market before the year 2005. Honda will manufacture motors in Brazil in order to be able to increase the percentage of the enterprise's nationalization, which will stand at 50 percent initially and increase to 80 percent by the year 2000. For the time being, the motors will be brought from the United States. Kazuhiko Sakata, president of Honda Motor do Brasil, said the company will spend $100 million in the first year in order to produce 15,000 Honda Civic cars and that this number will double before the end of the decade. The plant will begin operations with 500 employees. Sumare Municipality will donate a lot of land measuring 800,000 square meter for the enterprise to build a testing field. (Sao Paulo O

ESTADO DE SAO PAULO in Portuguese 10 Apr 96 p B12)

Federal Administration Debt Increasing — The federal administration domestic public debt totaled 127 billion reals, R, in February. This is a record level and represents 19 percent of the GDP. Before the implementation of the Real Plan in July 1994, the debt represented 12.5 percent of the GDP. As a result of the federal administration's expenditures with the Bank of Brazil, the Sao Paulo State Bank, the bank-merger program, the farmers' debts, and the Sao Paulo Municipality debts, the domestic public debt of the federal administration will probably increase at least R15 billion in the next few months. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Apr 96 p 1)

Vehicles Sales Level Noted — Sales of Brazilian vehicles (cars, trucks, buses, heavy machinery for agricultural work, and motocycles) increased 4.9 percent in March compared to the previous month. Nevertheless, the number of vehicles sold in March —156,991 — was 21.4 percent lower than the number sold in the same month in 1995. From January to March, a total of 435,647 were sold, but this result was 8.3 percent lower than the number of units sold in the same period the previous year. (Sao Paulo AGENCIA ESTADO in Portuguese 1515 GMT 11 Apr 96)

FISCAL, MONETARY ISSUES

Dollar Value Increases — The Central Bank implemented, in the morning of 9 April, the first adjustment of the dollar exchange rate in the month. The new dollar fluctuating band is now R0.989-R0.994. Compared to the previous band, the current one was increased by 0.2 percent and is now 0.1 percent higher than the March one. The futures market projects an oscillation of nearly 0.5 percent for the month of April as regards the exchange rate. (Sao Paulo AGENCIA ESTADO in Portuguese 1632 GMT 9 Apr 96)

Income Tax Revenue Reported — The income tax paid by enterprises and financial institutions has reversed the decreasing trend previously registered in the collection of corporations' income tax. Federal Revenue Secretary Everardo Maciel reported on 10 April that the March revenue reached the historic record of R10.2 billion. This represents a 43.4 percent nominal increase and a real increase, after deduction for the inflation rate, of 26.9 percent compared to March 1995. Corporations have made their declaration of yearly adjustment and injected 3.43 billion into the Treasury coffers. They thus paid 416.3 percent more income tax than they had paid in February. The financial institutions also paid 340.17 percent more income tax and handed the administration R725.2 million. Maciel insisted that March's good results do not represent exceptional figures from the revenue viewpoint. Social contributions on net profit have also increased: Banks had paid R55.5 million in February and R459.3 milion in March, which represents a 727.55 percent increase. (Sao Paulo AGENCIA ESTADO in Portuguese 1925 GMT 10 Apr 96)

TRADE ISSUES

Imports of Argentine Cars Increase — The Argentine Association of Automotive Factories has reported that, compared to March 1995, Argentine cars exports increased by 34 percent in March this year and 140 percent compared to February. Brazil has been the largest importer and purchased 7,100 units — 5,100 of which were Ford Escorts. In the Argentine domestic market, sales increased by 19 percent compared to February and the volume of production increased by 18.4 percent. The Ford plant is still leading with a production level of 6,473 cars, followed by the Volkswagen plant with 3,849 units. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Apr 96 Section 2 p 2)

March Exports Reported — Brazilian exports in March totaled $3.408 billion. According to the Industry, Commerce, and Tourism Ministry, the country exported $1.075 billion in the first week in April. In an official communique, the ministry explained that the March export results do not include export operations conducted on 28 and 29 March in view of a technical problem with the Computerized Exports System. The communique adds that exports in the first days of April have already reached record levels. (Sao Paulo AGENCIA ESTADO in Portuguese 1408 GMT 10 Apr 96)

Steel To Pay for Loan — The Sao Paulo Iron and Steel Company, Cosipa, signed two contracts with the large Japanese trading company Marubeni Corporation. The first one guarantees a $45-million loan to Cosipa and the second makes official the advanced sale of steel. This advanced sale represents a portion of the volume theoretically sold to Marubeni, as part of payment for the loan. Cosipa will have eight and a half years to pay for the loan, with a two-year grace period. The interest rate will also be very attractive. Cosipa Financial Director Leonardo Horta said. He added that the operation is one of the most competitive in the market, and is a lot more interesting and less complicated than granting export guarantees, which is another system of obtaining funds that the Cosipa could have resorted to. According to Horta, the money will enter Cosipa's coffers still in April and will be used to finance the modernization of the company's mills in Cubatao, Sao Paulo, which will cost an estimated $600 million over the next two years. The Brazilian National Bank for Economic and Social

Development will participate with $281 million. This year alone, Cosipa plans to disburse nearly $400 million for the modernization program. (Sao Paulo GAZETA MERCANTIL in Portuguese 10 Apr 96 p A1)

Low Coffee Exports Noted — In March Brazil exported only 551,706 sacks of toasted and ground coffee, in addition to grain coffee. This was the lowest amount of coffee exported by the country since April 1989, when the overall number of sacks stood at 469,000. From January to March, sales abroad totaled 1,727 million sacks, which represented 33 percent fewer sacks than the amount exported in the same period in 1995. For the sixth consecutive month, Brazil has not been able to reach the 1-million sack monthly ceiling established with the Association of Coffee-Producing Countries. The low volume of exports has been attributed to the small amount of the product available due to storms and drought spells in 1994. Coffee export revenue in March totaled $78.614 million, 52 percent less than the export figure for March 1995. January-March revenue totaled $238.947 million, 47.5 percent less than the revenue obtained in the same period in 1995. (Sao Paulo AGENCIA ESTADO in Portuguese 1641 GMT 12 Apr 96)

Chile

Chile: Senate Rejects Constitutional Reform Proposals

PY1204165496 Madrid EFE in Spanish 1648 GMT 11 Apr 96

[FBIS Translated Text] Valparaiso, 11 Apr (EFE) — The Chilean Senate today rejected, with the vote of the rightist majority, the constitutional reforms proposed by President Eduardo Frei for making the 1980 Constitution approved under General Augusto Pinochet's regime more democratic.

The rejection of the eight amendments proposed by Frei last August was made in two separate votes in which the reformist senators only obtained 25 votes, which was insufficient to approve the bills through the existing quorum in Chilean legislation.

Twenty-one senators, including the ones appointed by General Pinochet before handing over the government in March 1990, voted against the reforms.

In the speeches delivered before the voting, the reform supporters pointed out the need to improve the Chilean democratic system and to free the Constitution from the authoritarian clauses left by Pinochet. But the opposition said that the amendments are aimed at dismantling the Constitution.

The reforms related to probity in the administration, and the formation and attributions of the Constitutional Court and the National Security Council, which required 31 votes for approval, were rejected in the first voting.

The proposals for eliminating the appointed senators and changing the regulation on the vacancy of the Presidency of the Republic, the control over the government actions, international treaties, and expediting legislative procedures were rejected in the second voting.

Presidential General Secretary Genaro Arriagada announced at the conclusion of the congressional session that the government will insist on the need to improve the democratic system because it considers it essential for the future of the country.

Chile: Economy Minister Views Mercosur Talks

PY1304005096 Santiago EL MERCURIO in Spanish 7 Apr 96 p B7

[Interview with Economy Minister Alvaro Garcia by Laura Garzon; place and date not given]

[FBIS Translated Text] [Garzon] The general impression is that the government handled the negotiations with Mercosur [Common Market of the South] in a mysterious way and that it discussed objectives with the private sector that never materialized. Why?

[Garcia] What happened was quite the opposite. We constantly discussed these negotiations with the private sector and kept it informed about their development. Right from the start we kept them regularly informed through the Participation Committee for International Economic Relations, where businessmen and workers are represented.

I don't think any other commercial negotiations in Chile has been more clear, in terms of information on its development.

We have obviously not been able to tell every Chilean businessman every detail of the negotiations due to practical difficulties and because the talks are still underway. Therefore, it is not surprising that the scheme has varied with time. We had to make concessions in some areas and instated others. This is what negotiations are all about.

[Garzon] The government authorities always said they would demand a gradual custom tax reduction for traditional agricultural crops, but this has not been the case. Why this drastic change?

[Garcia] The government said traditional crops would be treated differently and this has been established in the current terms of the agreement. We said those products would be included on lists of exceptions and that is what we have done. The difference is that, during the negotiations, it was agreed to establish an extended period for phasing out of customs duties on these products. It was also agreed that certain safeguards, such as the price band, would be maintained.

I believe we have clearly fulfilled our duty to establish special protection measures for traditional crops.

[Garzon] It has been stated that our partnership with Mercosur will help develop the country. How will the ordinary man on the street benefit from this agreement.

[Garcia] For consumers, the increase of preferential tariffs we will grant the Mercosur member countries will grant Chile access to a variety of goods at lower prices. During the past few years Chile's economic growth has been based on increased exports, which have increased by 10 percent per year, much more than the GDP. This increase has been even greater on Mercosur, where exports have increased by 20 percent. Mercosur is an important area for the expansion of the Chilean economy, especially for goods with greater added value.

[Garzon] People are concerned about the economic instability that periodically shakes some Mercosur members. Could this affect Chile now we will have a closer relationship with that bloc?

[Garcia] Mercosur will not represent a greater instability for Chile because its members currently represent important trade partners for our country. We know, from our own experience, that we can overcome those problems successfully due to our diversified commercial structure.

For this reason we hope to reach a framework agreement with the EU, with Canada this year, and continue to make progress toward free trade with APEC [Asia-Pacific Economic Cooperation] members, that is, with our main commercial partners. Chile must use this diversified structure to prevent crises in other countries from affecting us.

[Garzon] It has been said negotiations with Mercosur have still not concluded. Is there anything which may cause their failure?

[Garcia] Until the negotiations are concluded, everything can be questioned, but we have made great progress in resolving all pending issues. Among the subjects still being discussed are the special custom duties Argentina applies for textiles and shoes, the application of the most favored nation clause, and some agreements regarding specific goods. If I had to measure the progress in made percentages I would say that between 95 and 98 percent of the issues are resolved.

[Garzon] When it was announced that customs tariffs for traditional crops would also be phased out there was a feeling of disagreement within the government because the agriculture minister promised he would not yield on this; however, the negotiating team did. Was this due to a lack of coordination between ministers?

[Garcia] The government acted as one, and every decision related to Mercosur was taken within the International Economic Relations Committee, where the Agriculture Ministry participates.

Talks related to phasing out custom tariffs over an extended period of time for list of exceptions only started late last year and this is why, for a long time, we maintained that the list of exceptions would be permanent. But then we realized that the negotiations could fail and that Chilean agriculture was also at stake if we did not agree to phase out custom tariffs for the list of exceptions over an extended period of time.

Therefore, we had to think things over and make sure that the main agricultural products, the jobs they represent, and the contribution they make to the productive sector, could enter those markets with advantages.

[Garzon] Why, then, did the agriculture minister seem surprised about agreements reached in this area with Mercosur?

[Garcia] The agriculture minister was informed and we all participated in the decisions that were taken. He did not seem surprised about this decision.

[Garzon] It seemed as if the government was unprepared for the agriculture sector criticisms at the end of negotiations on that area. Why wasn't there a clear strategy with a detailed account of the support policies the government had in mind for the sectors that would be affected?

[Garcia] I don't think that is the case. In March 1995, the government announced a policy to modernize agriculture, and that policy continues in force. The problems facing traditional agriculture are historical and not a result of Mercosur.

We maintain that one way to grow with equity is by supporting the modernization and retooling of neglected sectors.

[Garzon] The National Agricultural has stated that no agricultural sector will benefit with Mercosur. In the government's opinion which items are competitive and which are not?

[Garcia] I have heard vegetable and fruit growers, forestry farmers, and dairy farmers say that Mercosur, for them, is absolutely necessary because it is now a relevant market and they will be able to compete with lower custom tariffs. In this sense, most farmers will benefit from Mercosur.

Argentina and Uruguay are very competitive with certain goods, such as wheat, rice, and meat. However, a great number of Chilean producers are even more competitive in some products.

The problem lies in a small group of small and medium-sized farmers who currently face problems and feel the need to change their crops. They have 15 to 18 years to do so.

One should bear in mind the fact that this modernization process has been underway for several years now in Chile. During the past five years the acreage of traditional crops dropped by one third. If we continue at the current pace we will complete the process within 15 years.

[Garzon] Does this mean the market will take care of the modernization process of Chilean agriculture or will the government play an important role?

[Garcia] Since the Coalition of Parties [CPPD] came to power, we have implemented activities to make all producers equally competitive. We do not think the market alone will allow every sector to benefit with a modern economy because they are not equally competitive.

For this purpose we are giving every sector access to the tools necessary to compete in a market economy: Direct credits; Technological developments, we have invested $130 million during the past four years in this field; The promotion of exports; Development projects, etc. We are trying to overcome market deficiencies that discriminate against producers.

[Garzon] The government has started a retooling process in the coal industry that involves a lot of resources without any concrete results so far. What kind of process, that will be successful, will be implemented in the agricultural sector?

[Garcia] I believe there is interest in investing in the coal industry. Two coal industrial developments are growing fast and another 20 investments projects are about to be implemented. The results of those investments do not show up immediately.

One must realize that these processes take time to mature but the 15 and 18 years time we have established to retool the agriculture sector is more than enough.

[Garzon] Some economists maintain that the partnership with Mercosur will favor agriculture in general, the large land estates. Can we expect an agrarian reform "the other way around" to take place.

[Garcia] Looking at the agrarian structure in the central region, one can see that the farms are much smaller than those that existed before the reform which also encouraged greater use of the land and a change of crops that has been successful. Therefore, I do not think this process will be reversed.

In the south, historically speaking, there has been poverty due to the existence of small properties that have problems competing in international markets. This sector will have to undergo changes but the tendency will not be to establish larger estates.

[Garzon] What worries Chilean farmers is that a quota for the importation of rice, soybean, and beef at preferential tariffs from Mercosur will be allowed. What impact will this have on internal prices and Chilean producers?

[Garcia] Although quotas with preferential tariffs have been established they should not have a significant impact in Chile because the quantities we already import from those countries are very small. These import quotas do not entail an increase of the amounts already imported and their effect on internal prices is uncertain because it will depend whether or not the Mercosur producer transfers the custom tariff reduction he will enjoy to the consumer. If he does, the prices will drop and this will benefit Chilean consumers.

[Garzon] Agricultural sectors, which are very influential in some parts of the country, greatly oppose the partnership with Mercosur. They even staged demonstrations over the past few days. Has the government considered the political cost of joining Mercosur?

[Garcia] We believe farmers demonstrations were not significant. Parallel to these demonstrations the most important Chilean peasant organizations upheld a different stance to that of large farmers. At the same time a large delegation of farmers accompanied President Eduardo Frei to Brazil where they realized that Mercosur is an important market for their development.

Therefore, I do not see the farmers upholding a sole stance. I believe most of them see Mercosur as an opportunity.

The attitude of some union leaders and businessmen in some areas of the country does not contribute to the challenges we face. They want the government to pay heed to their problems but their attitude does not help solve them. Moreover, they maintain that their main problem is the lack of financial support to agriculture, but by stating that Mercosur is a "disaster" all they do is frighten the banks away.

[Garzon] Does this mean, in your opinion, the partnership with Mercosur will not affect the government politically?

[Garcia] I believe the agreement with Mercosur will be one of the most important achievements of this government. We must make a greater effort to promote and inform the people about the impact Mercosur will have on Chile and we must reach the small farmers who fear things that will not happen as a result of this partnership.

Although most Chileans are currently in favor of Mercosur, I believe more information on the agreement will help this approval grow.

Chile: Corfo Head Opens Meeting With APEC Officials

PY1304034996 Santiago LA TERCERA DE LA HORA in Spanish 12 Apr 96 p 20

[FBIS Translated Text] Felipe Sandoval, vice president of Corfo [Production Development Corporation], has said that with Chile's entry into the Asia-Pacific Economic Cooperation (APEC) forum, the country must serve as a platform for services and infrastructure in the trade flow between Asian countries and South America. Sandoval yesterday opened the Third Meeting of the Policy Group for Small and Medium-Size APEC companies, which Corfo is hosting.

In the presence of some 70 delegates from the 18 APEC member countries, Sandoval said that Chile's participation in the group will aid in the exchange of know-how and experience "in essential areas for the modernization of our different economic sectors, such as small and medium-size companies, in economies that exhibit the best world practices in managing policies of support to the sector."

He recalled that the group represents approximately 90 percent of all companies that operate in APEC countries and is responsible for between 32 and 48 percent of employment. He added that small and medium-size companies make up between 30 and 60 percent of the GDP.

Referring to the Chilean case, he said that 15.7 percent of its companies are small and medium-size.

He said: "If microcompanies are included in this figure, the proportion surpasses 98 percent of our business area. They also represent 36.5 percent of total employment and are the source of almost one-fifth of our overall exports."

The working group of APEC small and medium-size companies focuses its efforts on areas of human resources, access to information, technological innovation, financing, and access to markets.

Colombia

Colombia: Ambassador to U.S. Explains Resignation

PA1204162296 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 12 Apr 96

[Telephone interview with Carlos Lleras de la Fuente, resigning ambassador to the United States, in Washington, by Dario Arizmendi, an unidentified reporter in Santa Fe de Bogota, and Diana Montoya in Miami, Florida, during "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Text] [Arizmendi] Carlos Lleras de la Fuente has kept his word. In the course of an interview broadcast on "Caracol's 0600 to 0900" newscast some weeks ago, he said that once the Colombian certification — or noncertification — process was completed he would resign. He has made it official; he tendered his letter of resignation. At 0739 [1230 GMT], we are talking with Carlos Lleras de la Fuente. Good morning.

[Lleras] Good morning. How are you?

[Arizmendi] What did the president tell you. Was he surprised? Did he insist that you stay?

[Lleras] The president was aware for some time of my decision to resign. With his usual kindness, he thanked me for the way I performed my duties in Washington. We agreed, in principle, on the date my departure will be made effective, and everything was done as it should be.

[Arizmendi] When will you officially step down?

[Lleras] I have to complete some duties, I will go on vacation, and will return to Bogota in July.

[Arizmendi] Will you devote yourself to politics?

[Lleras] No. I will resume my academic activities, to which I have devoted so much time, and, obviously, earn my daily living, as that is one of those concerns that the persons who must depend on their work can never ignore.

[Arizmendi] That daily living has to be connected to political activities, since you have always been involved in it. We imagine you will later resume that activity, right?

[Lleras] Yes. The first thing is to arrive in the country, look at things from inside, analyze the country from there, since the vantage point is pretty different being here in Washington where I have been analyzing it in light of the work that the embassy performs. Therefore, one has to get used to local conditions, and later we will see what happens.

[Arizmendi] Supposing the government asked you, what kind of ambassador would Colombia need to have in this new phase where relations with the United States are so complex, tense, and difficult?

[Lleras] Let's see. What would I say? It has to be someone chosen with utmost care, of course, who meets requirements that range from something as simple as speaking English to something as complex as being able to handle a certification process and the clear disadvantage in which we find ourselves. Of course, that person has to be able to maintain adequate channels of communications with U.S. Government officials in charge of Latin American topics, as we are maintaining right now.

[Arizmendi] What kind of politician, businessman, or a leader of would it require?

[Lleras] I would not like to broach that topic because I would be putting (?myself in the president's shoes), as he is the one who will choose the person he deems must be his ambassador in Washington. As I said, the only important thing is that the person be knowledgeable of the United States and the way in which that country operates, since one of the most serious flaws of our diplomacy — and this has been happening for 50 years — is that we are not preparing our diplomatic service so that our diplomats arrive in a country with a real knowledge of its internal situation.

[Reporter] Did you begin your coordination work with [Ambassador to Canada] Alfonso Lopez Caballero?

[Lleras] For what?

[Reporter] There is a report, from a highly reliable source, that he will be your replacement. Do you have the same information?

[Lleras] I have no idea. No. I imagine that President Ernesto Samper can answer that question.

[Arizmendi] How long has it been since you last talked to Lopez Caballero?

[Lleras] With.... [pauses] A few months ago. We hold chats every so often. We were even planning to meet at some time in Canada, but I could not take my vacations there. I highly appreciate Lopez Caballero, and so, our relations are excellent.

[Arizmendi] At 0743 [1243 GMT], Diana Montoya wants to pose the following question from the international information center. Here is our colleague Montoya from Caracol Miami.

[Montoya] Thank you, Dario. Good morning, Mr. Ambassador. Although there may be speculation in Colombia, the rumor going around in the United States, where you are living, is that you could be appointed foreign minister if the foreign minister quits. Would you like that post? Does that sound familiar?

[Lleras] No. I really hope to return to my private activities. I have no ambition or wish to hold a public office.

[Arizmendi] In other words, if you are asked to be foreign minister, education minister, or any other post, your final answer is no.

[Lleras] I think I have done my share of public service, following 18 months in this embassy. I deserve to withdraw from public service for a long time [words indistinct] I have not devoted that much time of my life to have become fond of it.

[Arizmendi] Has it been pleasant to have worked for the Samper administration in this phase?

[Lleras] It has been very pleasant, pleasant.... [pauses] The embassy in Washington is not a pleasant embassy, quite the contrary, it is extremely hard given Colombia's circumstances. To have defended Colombia's interests at the embassy in Washington has been a great experience for me. As I said, this has been an important experience in my life, as well as an extremely hard and frustrating experience from other standpoints.

[Arizmendi] From what we can see and from what others have said, you would only be happy with the post of president of the Republic.

[Lleras] Those are the opinions of the people. The truth is that I would be happy with several posts, but the area of Colombian politics does not really thrill me at this time. Thus, I hope to spend some time quietly meditating about the future and taking care of my personal and preferred matters.

[Arizmendi] What political viability do you predict, from now on, for President Samper's government?

[Lleras] This is a case we should not talk about. As I have said before: This is a matter of Colombian domestic policy, and as ambassador, I have not discussed it nor will I discuss it while I continue in this post. This topic has been and is being currently debated in Colombia and has, unfortunately, taken too much of the national attention and disrupted normalcy in the country. I hope this issue will be resolved very soon so that Colombia can focus its efforts on so many important issues that are still pending.

[Montoya] Regardless of who replaces you in your post, what little secrets, (?pointers), recommendations would you make to that person to handle this difficult embassy you are leaving?

[Lleras] There are many aspects involved. Above all, my replacement should continue to guide the organization of an embassy that, I believe, has traditionally been mistreated by the previous Colombian administrations in the sense that this embassy has not been organized in keeping with its importance. Over the past year, we have gradually improved the organization of this embassy, and now, we will be inaugurating a key cultural attache's office, which, oddly, has not existed in Washington for a long time, even though Colombia should have had one. There is a myriad of additional aspects, including those dealing with giving appropriate attention to the country's defense and interests. We have had to defend our country's interests down to the wire, because this has been one of the smallest and weakest embassies in Washington, considering all the countries worldwide, even those of Latin America.

[Arizmendi] Last, we would like you to give us your opinion about the president's proposals to move up elections or hold a consultation to confirm him in his post once the legal and political case in Congress against him is over?

[Lleras] Concerning his proposal of holding early elections, I have already said some time ago that this matter must be reviewed, but it must be reviewed in the light of a general constitutional reform. This is because, since I participated in the drafting of the electoral system and the guidelines to appoint government officials in the 1991 Constitution, I clearly recall having analyzed the way in which the various elections — for president, congressmen, mayors, governors, deputies, and aldermen — are held and the dates on which the list of names for attorney general, prosecutor general, comptroller general, and members of the Bank of the Republic are arranged to constitute a harmonious whole that falls right into place with the election date of the president. Therefore, any attempt to alter the date of the elections would imply a review of the general electoral system of the entire Constitution, because the country cannot afford to elect a president one year; congressmen, the next year; mayors, the next year; and so on. A president cannot begin his mandate with a comptroller general, attorney general, and prosecutor general who were elected before his term. This would truly create a chaos in the Constitution's electoral system.

[Arizmendi] What about the consultation to confirm him in this position?

[Lleras] The issue of the consultation is somewhat over my head, as I have not had enough time to study it thoroughly. According to the Constitution, Congress tries the president, decides whether the president is innocent or guilty, and, technically-speaking, once Congress issues a ruling, the case should be closed and the country should comply with it and respect it. Under these conditions and if the country respected and operated within the framework of its Constitution, I would imagine that the political atmosphere should calm down.

Colombia: Envoy to U.S. To Remain Until 30 Jun

PA1204184196 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 12 Apr 96

[Report by Gilbert Vega; from the "Midday Newscast"]

[FBIS Translated Text] Narino Palace — After a long talk upon learning that Dr. Carlos Lleras de la Fuente wants to end his mission with the U.S. Government, the president of the Republic and the Colombian ambassador to Washington agreed that the diplomat will stay at the helm of the embassy until 30 June. President Ernesto Samper Pizano praised highly the work done by diplomat Carlos Lleras de la Fuente in the United States.

[Begin Samper recording] I must publicly emphasize that the Colombian Government is very satisfied with the work done by Ambassador Lleras. He maintained the banner of Colombia's dignity during an especially hard period and did so in a very talented and generous manner. I had the opportunity of telling him this when he called to say that he wanted to leave for personal reasons, which he [words indistinct]. [end recording]

The head of state said they still have not decided who will replace Lleras de la Fuente at the Colombian Embassy in the United States and stated that this decision will not be made until next month.

Colombia: Attorney General To Sue DEA for 'Attempt' on Life

PA1404223596 Madrid EFE in Spanish 1915 GMT 14 Apr 96

[FBIS Translated Text] Santa Fe de Bogota, 14 Apr (EFE) — Colombian Attorney General Orlando Vasquez Velasquez will file a suit against the U.S. DEA for allegedly plotting an attempt on his life, after it was learned that the United States may have withdrawn his entry visa, according to local media.

Colombian television newscast "NTC News" reported that Vasquez Velasquez was alerted by Colombian information services that the DEA planned to kill him.

Vasquez Velasquez will present tomorrow, Monday, a report on these investigations to the government of Colombian President Ernesto Samper.

The announcement of the suit against the U.S. DEA came two days after another Colombian television newscast reported that Washington had decided to withdraw the attorney general's entry permit because of his alleged ties to drug-trafficking organizations, which has yet to be confirmed.

Vasquez Velasquez is implicated in the macro judicial process that the Prosecutor General's Office is carrying out for the infiltration of the Cali cartel in Colombian politics.

His name appears on the list of politicians and Colombian Government officials who allegedly received checks in the millions [currency not specified] from the Cali cartel, and who stayed at the Intercontinental Hotel in that city run by a cartel front company.

In addition, the attorney general is facing a second investigation by the Superior Court of Justice for being suspected of pressuring two persons to testify in a suit against Colombian Prosecutor General Alfonso Valdivieso.

Prosecutor General's Office officials have accused Vasquez Velasquez, on various occasions, for trying to block their investigation.

Colombia: Former Chamber President Surrenders

PA1304171096 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 12 Apr 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0000 GMT 13 Apr 96]

[FBIS Translated Text] Former Chamber of Representatives President Alvaro Benedetti turned himself in to the authorities at his home this morning. He contacted Prosecutor General Office officials and made an appointment to meet with them at his residence. Accompanied by officials, he departed for the Guard Training Academy located in Funza, which will be his provisional detention site. He is the fifth parliamentarian imprisoned for Case 8000.

Colombia: Representative in Custody for Illegal Enrichment

PA1304200096 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 12 Apr 96

[Report by Marta Elizabeth Camargo; from "The Midday Newscast"]

[FBIS Translated Text] Santa Fe de Bogota — Chamber Representative Alvaro Benedetti is right now being transferred to the National Prison and Penitentiary Institute (Inpec) in Funza. He surrendered this morning at 1100 [1600 GMT] to a Technical Investigation Commission from the Office of the Prosecutor General of the Republic. Benedetti will be held temporarily the Inpec until the authorities determine where he will be finally held while the Criminal Chamber of the Supreme Court of Justice [CSJ] conducts an investigation against him for illegal enrichment. The CSJ had issued a custodial measure against Benedetti last Tuesday during the preliminary investigation, which disclosed documents that proved that he had received between 20 and 25 million pesos from front companies owned by the Cali Cartel to finance his upcoming electoral campaign.

Colombia: Abductors of Gaviria's Brother Issue Communique

PA1204195696 Santa Fe de Bogota EL TIEMPO in Spanish 11 Apr 96

[Received via Internet]

[FBIS Translated Text] Pasto — A communique, to which the author added a fingerprint and a signature, both supposedly from architect Juan Carlos Gaviria, who was kidnapped in Pereira a week ago, was sent to EL TIEMPO's office in this city.

The document, currently being subjected to an analysis to verify the authenticity of the fingerprint and the signature of the architect (brother of Cesar Gaviria Trujillo, former Colombian president and the current secretary general of the OAS) bears a tri-colored letterhead of the "Dignity for Colombia Movement," a logotype containing two rifles and a photograph of the assassinated presidential candidate, Luis Carlos Galan.

An attached blank page contains the fingerprint, signature, and number of Gaviria's identification card.

The document was brought to this office in an envelope with the letterhead, "Colombia Without Corrupt People Foundation."

The text of the communique states:

Gabriel Garcia Marquez said the country is confronting a "moral catastrophe" and that there was somebody directly responsible for this intolerable situation: the political classes. Our Nobel prize winner was referring, as it is obviously true, to our entire political class and not only to the one related to Samper. That is why we do not understand why the Prosecutor General's Office and the church are attacking the current government and remain silent with regard to previous governments. Why has the Prosecutor General's Office not investigated and will not investigate the Gaviria administration? Where are the investigations of Juanchaco, Colfuturo, and "the president's brothers," only to mention the most well-known cases?

We will not tolerate the false morals of Prosecutor General Alfonso Valdivieso, who believes that with Case 8000 he will clean up our political habits, when what is at stake in our fatherland is a problem of a greater dimension. The country's real problem is not the drug cartels, but the nonfulfillment of the promises the government made to the people, which is why our people are sinking into poverty. For example: Samper should not be tried for what the prosecutor general says he should be tried for, that he was financed by the Cali cartel, but because during his two years in government the number of poor people in the country went from 15 million to 17 million, even though he promised a presidency with a social character.

The truth we all know is that drugs are not the reason for the poverty of the Colombian people. On the contrary: poverty is the what pushes people into the drug business, and drugs are not the reason why we have bad governments. Bad governments are the ones that turn good, common people into drug traffickers. That is why to knock down Samper and put Humberto de la Calle in power, for example, constitutes a false dilemma, a false solution. The only thing that could be achieved from that is to continue with the farce of the domination of the majority by a few powerful individuals.

We have emerged to prevent the continuation of this farce and the double morals. We started out with Antonio Jose Cancino because we wanted to stress the point that the trial of Samper should not be a legal trial but a political one, and we continued with Gaviria's brother, because the OAS secretary general was the one who made it immoral to speak in favor of the people, because he returned to the inviolable norm of "governability:" defending the interests of the Americans over the interests of our countrymen, in essence, because it was Gaviria, who in open violation of the Luis Carlos Galan legacy, has convinced Prosecutor General Alfonso Valdivieso that it is immoral and condemnable to receive money from the Rodriguez Orejuela brothers, but it is legitimate and moral to receive it from Santodomingo and Clinton.

Our minds and our arms will remain firm to prevent our presidents, all presidents, today's and yesterday's, from continuing to fool and to exploit our people and to prevent the gringos, disguised as the prosecutor general and OAS secretary general, from telling us what is good and what is bad.

Colombia: Samper Discusses VP, U.S. 'Conspiracy'

PA1204201196 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 12 Apr 96

[Report by Gilberto Vega; from the "Midday Newscast"]

[FBIS Translated Text] Narino Palace — The head of state has reiterated what he said on a previous occasion, that the marriage between the president and the vice president is an indissoluble relationship. He added that this is how it is defined by the Constitution and in the political program that took both Ernesto Samper and Humberto de la Calle to the highest government offices. The president also referred to a report published in the Spanish magazine CAMBIO 16 regarding a conspiracy by U.S. agencies to try to get him out of the government. The president made these statements at a ceremony held at the Narino Palace to decorate several National Army officers.

[Begin recording] [Samper] The president's relationship with the vice president is determined by the Constitution. This, however, has been interpreted negatively. What we are saying is that we both share a program that got us elected to the presidency and vice presidency of the Republic.

[Unidentified reporter] Can you comment on the CAMBIO 16 magazine article that reports an alleged conspiracy to topple you, which is being furthered by U.S. agencies?

[Samper] I do not have exact information on the article. I only know what you have mentioned. I cannot comment on what I do not know. However, if one of you has a copy of the article I would love to read it.

[Reporter] Anyway, it asserts that there is a cover-up, that there are a few agreements, pacts, for example, to allow Santacruz Londono to escape and pacts with Rodriguez Orejuelas. Suddenly, we get the feeling that when Minister Serpa said he had a hunch it was because the government was well informed?

[Samper] I cannot speculate on such a delicate issue. I would rather read the media report and evaluate the contents of the information. I cannot speculate. [end recording]

President Samper Pizano also referred to the political reform proposal sent to the Congress of the Republic.

He reiterated that the objective is to further the political reform as soon as his situation is decided by the Accusation and Investigation Commission of the Congress of the republic.

Colombia: Samper Asks Committee To Expedite Inquest

PA1304195296 Santa Fe de Bogota EL TIEMPO in Spanish 13 Apr 96

["Text" of letter from President Ernesto Samper Pizano to Heyne Mogollon, Investigations and Accusations Committee chairman, dated 12 April — received via Internet]

[FBIS Translated Text] Esteemed Mr. Representative:

The political situation stemming from innumerable well-known facts, including the proceedings you are handling against the president, has become particularly serious due to the pace with which the Investigations and Accusations Committee of the Honorable Chamber of Representatives has had to conduct the formal inquest. To be sure, this is something that does not depend on your diligence and responsibility.

The fact is that questions such as the request for the disqualification of the members of that Committee, the time required to corroborate some proofs, and other similar factors are foiling the desire of the public for a prompt decision on the responsibility of the president.

It is my duty as president to guarantee, through all means, a prompt and executed justice and safeguard the full functioning of public authority within the indispensable balance ordered by the Constitution.

With this purpose, and within the natural limits of the Constitution and the law, I have deemed it necessary to ask you and the other members of the Honorable Committee of the Chamber to accelerate as soon as possible the investigation and adopt the bill for the qualifying measure that may be required.

There is no one more interested in resolving the proceedings under the responsibility of the Congress, regardless of the outcome, than the president of the Republic.

Please accept my sentiments of consideration and respect.

[Signed] Ernesto Samper Pizano.

Colombia: VP Discusses Possibility of Replacing Samper

PA1304164696 Santa Fe de Bogota EL TIEMPO in Spanish 12 Apr 96

[Received via the Internet]

[FBIS Translated Text] Humberto de la Calle Lombana, Vice President of the Republic and ambassador to Spain, yesterday said he does not feel uncomfortable or inhibited, "either morally, juridically, or politically," at the thought of being president of the Republic in President Ernesto Samper's eventual absence.

De la Calle commented on the subject from Madrid in response to a letter from Carlos Ossa Escobar, Liberal Party councilman for Santa Fe de Bogota, who proposed that De la Calle resign "in a historic gesture" to facilitate a solution of the crisis.

In his letter, Ossa says he believes De la Calle "has nothing to do with the ties that led to the illegal financing of the Liberal Party's 1994 electoral campaign" and that "an eventual government of yours during the current constitutional term would unintentionally bring, not winds of reconciliation, but the opposition of the political sectors that have supported the president (...) and this would make governability of the transition difficult."

De la Calle answered: "...I wish to thank you for your personal remarks admitting that I 'have nothing to do with the ties that led to the illegal financing of the Liberal Party's 1994 electoral campaign.' I wish to say, however, that I do not feel questioned or inhibited, either morally, juridically, or politically."

"Regarding the possibility of my resigning the Vice Presidency, I would like to repeat for you my remarks to the president of the Senate a few days ago: 'I see the post of vice president as a responsibility, not only as a recognition. For this reason, I will never evade the functions that the Constitution assigned to me that I swore to fulfill.'"

Colombia: Poll Gives Samper 51 Percent Negative Rating

PA1204171196 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 11 Apr 96

[From the "Latest News" newscast]

[FBIS Translated Text] The Liberal Party today released a survey taken by the Centro Nacional de Consultoria at the request of that party. It revealed that President Ernesto Samper Pizano has a 51 percent negative rating and 44 percent positive rating. This was the result of a survey of 700 persons in the cities of Bogota, Medellin, Cali, Barranquilla, and Cucuta. The poll stated that although 50 percent regarded Samper's permanence in office as negative, 54 percent said it was advisable for the president to complete his mandate.

Colombia: Distance Between DLN, Samper Said 'Growing'

96P20393A Santa Fe de Bogota EL TIEMPO in Spanish 12 Apr 96

[Received via Internet]

[FBIS Translated Text] Relations between the Liberal government of President Ernesto Samper and the party's National Directorate are going through one of their most difficult periods.

"The defense of the president cannot come at the cost of sacrificing the party," said DLN [Liberal Party National Directorate] President Luis Fernando Jaramillo Correa yesterday.

"In periods of crisis we cannot start inventing things, because the risk of making a mistake is much greater," said Ines Gomez de Vargas, a member of the directorate.

House President Rodrigo Rivera admitted that profound differences exist between the positions of the government and the DLN.

In a meeting yesterday morning, there was unanimous rejection by the DLN regarding advancing the elections, one of a number of proposals President Samper has made for overcoming the difficult political crisis that the country is going through.

"Not a Single Person Defended the Proposal"

The distance between the president and his party has grown as a result of two recent incidents. The first involves statements by Luis Guillermo Nieto Roa, Samper's lawyer, to the effect that "the parties and political movements registering the candidates are the ones responsible, vis-a-vis the National Electoral Council, for accounting matters."

This was interpreted as an attempt by the government to "shift" to members of the Liberal Party the responsiblity for the violation of spending caps by the Samper campaign.

Some senators feel that it was Samper, acting on his own, who designed the leadership cadres of his campaign "to a large extent disregarding the Liberal structure." For this reason they do not now feel responsible for the manner in which that campaign was conducted.

In addition, members of the DLN have not forgotten that Samper, in a meeting several months ago, told legislators that he had won the elections thanks to the "holy war" waged against him by Bucaramanga Bishop Dario Castrillon, and not really thanks to the Liberal Party.

Another recent source of tension occurred when Interior Minister Horacio Serpa last Tuesday resent political reform proposals to the Congress, without consulting, or sending a copy of them to, the Liberal Party Directorate.

In other words, in the DLN's view, the government has not consulted it on crucial matters.

With regard to this last point, Jaramillo, upset by Serpa's conduct, sent him a letter telling him that he had learned through the newspapers about what the government was proposing with regard to reforming the parties.

The atmosphere at yesterday's DLN meeting was tense. There was agreement about sending a communique to the press rejecting advancing the elections, which to the majority of Liberal leaders would be an act of political suicide since the party is experiencing one of its worst crises and its possible candidates are doing poorly in the polls. But it was agreed that it would be written after the urgent meeting between the DLN and Samper which will be held next Tuesday.

Lebolo Takes Over

Yesterday former congressional representative Emilio Lebolo Castellanos assumed the presidency of the Liberal Party Directorate. He is from Barranquilla, and is a member of the political movement oriented toward Controller General David Turbay Turbay.

Jaramillo, who held the position for eight months, will remain in the Liberal Party Directorate for another month before retiring. This is the second departure; Carlos Holmes Trujillo left earlier. Thus, the DLN will have seven members.

Colombia: Sentiment Against President Said 'Growing'

96SM0228A Santa Fe de Bogota EL TIEMPO in Spanish 11 Apr 96

[Commentary by Enrique Santos Calderon — received via Internet]

[FBIS Translated Text] What else is wanted? What else can we expect?

There is such an accumulation and precipitation of events associated with the political crisis that one is left overwhelmed, not knowing what to single out, nor where to stop.

The Church's overt hardening toward the government; the astounding disclosures of the relations between the president's former police aide-de-camp and the Sarria family; the unexplained ties between the Private Secretariat of the Presidency and one of the Attorney General's Office's witnesses against the prosecutor general; the distancing of the Liberal Party Directorate's president from the government; the untimely resignation of the director of the Prosecutor General's Office's Technical Investigative Unit, and his charges against the attorney general; the opening of an investigation against the attorney general by the Supreme Court; the detention of the Chamber's ex-president, Alvaro Benedetti; the standstill in the suit against the president in the Chamber; and the publication of the weekly letter, "From My Cell," by ex-Minister Fernando Botero.

These are some, only some, of the recent events. Not to mention the guerrilla movement's "armed strike" against the government; or the appearance of a strange communique in the name of the even stranger group, "Dignity for Colombia," in which it takes credit for the kidnapping of ex-President Gaviria's brother, issuing a confused proclamation claiming that the problem is not Samper nor the drug traffic, but rather poverty and the "gringos."

There is an atmosphere of anxiety and uneasiness, dangerously intensified by the rise in acts of violence, which many of us were dreading. On the one hand are those headed by the guerrilla movement, which is now attempting to become a deciding factor in the crisis, and to call for a national accord, in order to lay the groundwork for a new government with the armed movement. As if such a government could be constructed on the basis of destruction and death.

The destabilizing acts of unknown origin, such as the attack against Cancino or the murder of Alvaro Gomez, are another focal point of violence with unforeseeable consequences. It has not been proven that the kidnapping of Juan Carlos Gaviria was in any way related to the political crisis, and any communique to that effect is to be distrusted. If any connection is proven, we would be faced with an extremely serious situation.

But, returning to the startling series of recent events, the first thing that urgently needs to be explained to the country is the case involving Colonel Osorio, the president's former aide-de-camp, a man who has had his full confidence for many years. What were the official's exact relations with the "charming blonde" and her husband? Why did he remain in the president's service despite the warnings from the chiefs of the DAS [Administrative Department of Security] and the police regarding his record? Why was he appointed to an unusual diplomatic post in Italy after the murder of Mrs. Sarria? Why hasn't his return to the country been ordered?

Nor would it be asking too much to explain why the witness that Attorney General Vasquez claims to have against Prosecutor General Valdivieso has a close relationship with the Private Secretariat of the Presidency. Are they advising, supporting, or protecting him, or what?

It must be offensive to a country to have its government so often afflicted by sordid episodes that are not properly explained, and are accumulating like a kind of burden on the collective conscience. How long will it last? Well, until the country's citizens decide that the situation has become unbearable.

There are already signs that the confusion, indifference, or complicity with which many sectors of Colombian society have accepted the crisis are giving rise to a more concerned and active position. The hardening of the Church and the economic guilds are an example.

And now, although it is difficult to believe, it is among the Liberal political class itself that a change of conduct is beginning to be noticed. At least that is my interpretation of the forceful response from the president of the Liberal Party Directorate to the president's attorney, who attempted to hold the party as a whole responsible for the Samper campaign's finances.

In the Senate, one senses an atmosphere of growing concern among various Liberal leaders who have been faithful Samperists, but who consider the president's situation increasingly untenable. It remains to be seen whether they will say so.

And it remains to be seen what will happen in the Chamber, where there is also talk that an increasing number of representatives think that this body has no reason to become buried with the president, and that a verdict against the weight of evidence would bury them completely, in the public's view.

Hence, it is not to be precluded that the Congress, in an act of collective exorcism, may contribute the solution to the crisis, and join the growing national chorus calling for the president's immediate resignation. Dawn will come, and we shall see.

Colombia: Editorial Expresses Support for Valdivieso

96SM0226A Santa Fe de Bogota EL TIEMPO in Spanish 11 Apr 96

[Editorial: "Inappropriate Confrontations" — received via Internet]

[FBIS Translated Text] One of the most disturbing facets that have developed in connection with the current political crisis is that associated with the harsh personal and institutional confrontation between the country's different disciplinary and investigative authorities.

The tone and proportions assumed by the confrontation between the attorney general and the former director of the Prosecutor General's Office's technical investigative unit, in particular, have left a bitter taste among Colombians, as has the result of that confrontation, reflected in the high-ranking official's resignation from the Prosecutor General's Office, announced at a press conference.

The entire episode, including the mysterious witnesses from the Attorney General's Office in the disciplinary proceedings being conducted against the prosecutor general, is raising questions and arousing suspicions. However, apart from that perception (which is, moreover, widespread among large sectors of the public), and without prejudging the officials, what we cannot allow to pass unnoticed is the severe damage being caused to Colombian institutions as a whole by these incidents. They are heightening the distrust and gloom regarding the very matters that Colombians want to see handled with transparency and clarity, so that the light of truth can finally shine.

The least we can expect from the leading dignitaries of the Attorney General's Office and the Prosecutor General's Office is prudence, moderation, a patriotic spirit, and sincere magnanimity toward the country, so that their private and personal interests will not take precedence over those of the nation.

Moreover, we are making these reflections at a time when each one of these entities is working on investigations the outcome of which is vitally important to the country. The impact (and the degree of credibility that these decisions may have) will certainly chart the course of our destiny as a nation. This explains why we and all of our fellow countrymen are awaiting them with so much interest.

Any decision that would require removing other officials on the top echelon of the Prosecutor General's Office, including the prosecutor general himself, from their positions, would prove highly detrimental at present. It would constitute an overt disregard for history and unpardonable opposition to a fitting outcome of the proceedings that are being conducted. The mere suggestion that this might happen has triggered reactions abroad that are doing great harm to the country, and its unfortunate occurrence would have unpredictable consequences for the country's already battered image.

Good Colombians want Alfonso Valdivieso and his principal staff to be able to complete their term, not only because they trust in their honesty, integrity, and patriotic sentiment, but also because they feel that the prosecutor general has an enormous responsibility before all Colombians because of the magnitude of the crisis triggered in connection with the proceedings being conducted by the Prosecutor General's Office.

In short, the prosecutor general is obligated to answer to his fellow countrymen, in depth and to its final consequences, as befits the courts of justice, for the complex proceedings that come within his authority.

Surrounding him with guarantees and conditions, so that he can discharge his duties in their entirety, should be a collective endeavor. So should a request, if it can be achieved, that he, with his entire staff of principal collaborators, honor their legal and constitutional obligations, as well as the trust that the vast majority of Colombians have placed in them.

Colombia: Public Spending Commission Warnings Viewed

96SM0222A Santa Fe de Bogota EL TIEMPO in Spanish 10 Apr 96

[Editorial: "Time Bomb" — received via Internet]

[FBIS Translated Text] Compliments are in order for the conclusions of the Commission on Public Spending, fortunately created by this government to study the oppressive fiscal problem as a whole. Not only have the commission's members divulged their opinions concerning the analyses made, but ex-Minister Gabriel Rosas, its director, and Sergio Clavijo, one of the group's technicians, have furnished this newspaper with timely statements on the subject as well.

The commission's fundamental message is clear and unequivocal: the governments and citizens are responsible for the fiscal problem. The former are to blame, because they commit themselves beyond what the state can provide, and the latter, because they make requests, without stopping to consider, even for a minute, whether the funds exist for defraying additional costs. Nor do they consider whether the public is willing to have taxes continue to rise, so that this can be done in the wisest manner. In other words, there is no awareness among the citizens of the fact that the funds for paying expenses have to come from somewhere, and, consequently, generate costs that are sometimes very high for the community.

The lack of fiscal awareness has, to a great extent, been caused by the politicians, who offer their electors rivers of milk and honey, so as to obtain their votes, because they know that it will be others who will have to cope with the problem in the future. Therefore, according to ex-Minister Rosas, "the commitments already assumed cannot be met with the money that will be coming in and, if something is not done, we shall be heading for disaster."

The commission's recommendation is for making a stop along the road to decide, for once and for all, what the state's position should be and, hence, what its spending priorities are, because the government obviously cannot do everything that it would like. There is a need, at the outset, for making additional cutbacks totaling nearly 700 billion pesos, and, secondly, for adopting a realistic attitude toward the future, because the spending that the state will be able to undertake for several years has already been determined. For example, since the National Congress passed Law 100, better known as the social security law, which reformed the pension system and authorized the creation of private pension funds, the state has assessed some spending commitments that will entail for it outlays equivalent to 2 or 3 percent of the GDP. These are funds that it will have to save for this purpose, and cannot allocate for other projects.

The latitude of this government, and of those to come in the next few years, is non-existent, or at least very limited. This will mean eliminating sources of present and future spending, and rejecting the possibility of raising tax revenues indefinitely.

The fiscal time bomb could explode this year, because of the slowdown being experienced by the economy. According to ex-Minister Rosas, the central government's projection for tax revenues is based on a growth of nearly 5 percent in the GDP, but the commission estimates an expansion of only 3.5 percent. Furthermore, the commission has taken into account the fact that the bulk of the tax revenues originates among 2,500 large taxpayers, situated precisely in the sectors hardest hit by the sharp decline in the economy, and that the pace of imports will be slower this year, compared with past years. This will hurt the revenues accrued from tariffs and through the collection of the VAT in customs.

The preceding indicates that the mad dash of public spending should be stopped short, and this must be done. It also shows that now is a good time to do so, making use of the commission's diagnosis and advice, and of the political consensus which, judging from its distressing conclusions, could easily be achieved.

Ecuador

Ecuador: Government Denies Leak on Peruvian 'Threat'

PY1204164196 Quito Voz de Los Andes in Spanish 2300 GMT 11 Apr 96

[FBIS Translated Text] The Ecuadoran Foreign Ministry, through Foreign Minister Galo Leoro, emphatically denied that Ecuadoran diplomatic or military sources gave information to EL UNIVERSO about the alleged Peruvian threat against the members of the MOMEP [Ecuador-Peru Military Observers Mission]. Galo Leoro said that this type of information creates great concern to the state and the MOMEP.

[Begin Leoro recording] I emphatically deny that the information came from official Ecuadoran diplomatic or military sources. And I would like to reiterate that we don't know how this information was given; we are not aware of it. Of course, this information creates great concern; therefore, the Ecuadoran Government, through General Duran of the Armed Forces Joint Command, who is the liaison officer with the MOMEP, sent a note to General Francisco de Albuquerque, the MOMEP general coordinator, expressing its concern over this information. [end recording]

In the letter sent to General Albuquerque, our country conveys its concern regarding the information published in the newspaper. Concerning the accusation of the alleged infiltration of Ecuadoran soldiers into the demilitarized zone, Foreign Minister Leoro said that the Peruvian charge is alarmist and also unnecessary because the presence of Ecuadoran soldiers in that zone can be absolutely discarded. The note added that they could have been fishermen or hunters, who circulate in this region.

Ecuador: Paper Manufacturers Denounce Dumping Practices

PY1204180196 Madrid EFE in Spanish 2200 GMT 11 Apr 96

[FBIS Translated Text] Quito, 11 Apr (EFE) — The National Association of Paper and Cellulose Manufacturers (ANPACE) [Asociacion Nacional de Fabricantes de Papel y Celulosa] today asserted that 10 percent of the 21,000 tonnes of paper they produce per year are being affected by alleged "dumping" [previous word in English] (unfair trade) practices by Colombia and, to a lesser extent, by Venezuela.

ANPACE President Jose Jouvin Vernaza said that this issue has been discussed with the industry, commerce and integration minister, who is also investigating charges of alleged unfair trade practices by the textile and shoe industries of other countries.

Because of the alleged dumping practices, sales of absorbent paper such as toilet paper, paper towels, napkins, and tissue paper, among others, have reportedly decreased by 2,100 tonnes.

There are two paper manufacturing companies in Ecuador, a country of slightly more than 11 million, that are being affected: Ecuapel, which produces 950 tonnes per month, and Tecnopapel, which produces 800 tonnes. These two companies produce a total of 21,000 tonnes per year.

The alleged dumping practice allows paper manufactured in Colombia and Venezuela to be marketed with a price cut of about $0.10 per dollar in comparison to Ecuadoran-manufactured paper.

Ecuadoran manufacturers assert that there are no differences in cost, quality, or effectiveness among Colombian, Venezuelan, and Ecuadoran paper products. The difference lies in the price, which benefits Ecuadoran consumers but is detrimental to Ecuadoran manufacturers.

Paraguay

Paraguay: President Appoints New Finance Minister

PY1204185096 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1600 GMT 12 Apr 96

[FBIS Translated Excerpt] The first changes in high-ranking positions have started. Rumors about these changes started before Holy Week. The change today was really only an exchange between the Finance Ministry and the Technical Planning Secretariat.

In effect, this morning Raul Cubas Grau was sworn in as new finance minister and Orlando Bareiro, former finance minister, was appointed executive secretary of the Technical Planning Secretariat. This is only a change in technicians' positions in the economic team. [passage omitted]

Paraguay: Antinarcotics Chief Killed in Shootout

PY1204164296 Asuncion ABC COLOR in Spanish 12 Apr 96 p 102

[Report by correspondent Freddy Rojas in Horqueta, Concepcion Department]

[FBIS Translated Excerpt] Police Officer 1st Class De Jesus Franco Mendoza, 35, Pedro Juan Caballero Dinar [National Narcotics Directorate] Office chief, was killed by marijuana growers in a shoot-out in the township of Arroyito. The operation permitted the seizure of 329 kg of marijuana and the detention of two drug traffickers. The man who shot the police officer managed to escape.

Officer 1st Class De Jesus Franco Mendoza, the chief of Dinar Regional Office No. 1, headquartered in Pedro Juan Caballero, was violently killed during an effort to obtain possession of 1 metric ton of packaged marijuana hidden in a safe house in the township of Arroyito, 72 km from the city of Concepcion. Officer Franco Mendoza was killed by one of the three men with whom he was allegedly "negotiating." The killer escaped. The other marijuana traffickers were detained. They were identified as Mario Aguero Bernal, 18, and Americo Sanchez Borja, 21, both of whom live in the township of Arroyito. [passage omitted]

Paraguay: Minister Regrets Death of Antinarcotics Chief

PY1204193696 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1600 GMT 12 Apr 96

[FBIS Translated Excerpt] Early this morning President Juan Carlos Wasmosy participated in the ceremony commemorating the day of the Paraguayan Military Engineers Corps. Today is the anniversary of the creation of the Engineering Command. The ceremony included the swearing in of new conscripts, and the presentation of medals and diplomas to several retired officers, some posthumously.

The ceremony ended with a tour of the year's improvements at the Engineering Command. We talked with Defense Minister Hugo Estigarribia on a proposal by Argentina's chief of the Joint Chiefs of Staff to implement the voluntary military service. Estigarribia said that system could not be implemented in our country. Each country is different, the minister said.

We talked with Hugo Estigarribia, Interior Minister Diogenes Martinez, and National Police Commander Mario A. Sapriza on the killing of a Dinar [National Narcotics Directorate] officer in the Amambay Department. The three officials regretted what happened and added that the incident shows our country participates in the fight on drugs, even though we have no international cooperation.

[Begin recording] [Estigarribia] It is dramatic. It is the human cost we must pay to fight drug trafficking. Paraguay has launched a titanic struggle against drug trafficking despite criticism and questioning. We are fighting the plantation of marijuana in the zone of Pedro Juan Caballero. People must understand this struggle is as difficult and bloody as the struggle against cocaine. The sacrifice of human life — I do not know how many we already have — is very painful, but it will not prevent us from continuing our struggle, even if we must do it alone.

[Martinez] It is regrettable and I hope those responsible will be caught and punished. Once again the fight against crime, especially against drug trafficking, has taken a human life.

[Sapriza] It is regrettable. We are all hurt. It is not easy to say farewell to a fellow worker. We understand that this is one of the possibilities in our career: to fall in the exercise of our duties. On one hand we are proud, on the other we are hurt. [passage omitted] [end recording]

Peru

Peru: Ministry Statement on Peace Talks Published

PY1304032496 Lima EL COMERCIO in Spanish 12 Apr 96 p A4

[FBIS Translated Text] Regarding reports released over the past few days by some Ecuadoran media which are not in line with the truth, the Peruvian Foreign Ministry yesterday issued a statement which reads as follows:

Ministry of Foreign Affairs

Press Note

Various reports have emerged over the past few days in Ecuador, some of which were repeated by high-ranking government sources, to the effect that Peru is reportedly trying to thwart the development of the process of bilateral negotiations with Ecuador.

In view of these reports, we want to state the following:

1. Peru is awaiting an answer from Ecuador to its formal proposal to immediately resume in Buenos Aires the meeting of foreign ministers on procedures to implement Point 6 of the Itamaraty [Brazilian Foreign Ministry headquarters] Peace Declaration.

2. Peru has proposed that the meeting of the Working Group of the two countries' defense sectors, created by the agreement signed in Quito on 23 February, be held in that city on 22 and 23 April; no formal acceptance has yet been received from Ecuador on this proposal of dates.

3. It is absolutely false that Peru has threatened to shoot down MOMEP [Ecuador-Peru Military Observers Mission] helicopters, as reported in the Ecuadoran press. This report is absolutely groundless.

4. Peru wants to reaffirm that it has fulfilled all agreements reached in Quito on 23 February 1996 on reducing to 60 the number of troops at PV2 [watch post 2], as has been verified by MOMEP. The fulfillment of that point of the Quito Agreement has allowed, as agreed, the exchange of lists of subsistent impasses, which took place in Brasilia on 6 March.

5. Peru wants to reaffirm its continuing disposition to immediately fulfill what was agreed upon with Ecuador on Point 6 of the Itamaraty Peace Declaration.

6. Peru urges Ecuador to cooperate in the continuing effort that is being made, with the valuable cooperation of the guarantor countries, to solve the subsistent impasses within a climate of seriousness, truthfulnees, and respect for international law.

[Dated] Lima, 11 April 1996

Peru: Labor Minister: Emphasis on Unions Dialogue

96SM0224A (Internet) Peru DESCO Gopher in Spanish 11 Apr 96

[From DESCO Resumen Semanal 3-9 Apr: "Flexible Legal Standards for Labor"]

[FBIS Translated Text] On 8 April, immediately after taking office, the new minister of Labor and Social Promotion, Jorge Gonzales Izquierdo, declared that so long as he heads the ministry he will center his efforts on making the labor market more flexible. "I shall try to have the legal framework be as flexible as possible with the aim of encouraging employment," he said. He also indicated that he will assign a high priority to dialog with the employer associations and the labor unions. On the subject of job creation, he explained that three factors determine the creation of more jobs: the rate of growth of the economy, the relative cost of hiring a worker (capital versus labor), and the institutional framework that regulates labor relations). "Of these three factors," he explained, "only the third is the concern of the Labor Ministry, for the first and second are determined by the overall performance of the economy, and specifically of the Ministry of Economy and Finance (MEF)." He predicted that in 1996 the economy will grow at a rate of around 4 percent, which he called acceptable. He said this will facilitate the creation of jobs, which increase in unison with the increase in production and even "somewhat more rapidly" if several other factors—which he did not specify—are taken into account. (In most of the daily newspapers, 9 April 1996.)

On the other hand, the regime's former economy minister, Carlos Bolona Behr, declared—with respect to the most recent cabinet changes—that "the decision to support the group that advocated retaining the present model rather than the groups that advocated blending it with populism is a positive one." Concerning the probable appointment of Labor Minister Jorge Gonzales Izquierdo as president of Copri [Commission for Promotion of Private Investment], Bolona Behr emphasized that Gonzales' biggest challenge will be to make the process of privatizing Petroperu [State Petroleum Agency] more flexible, "because," he said, "it involves making the transition from the drawing board to the real world." (GESTION, 9 April 1996)

Peru: Agrominister: Rural Development Stressed

96SM0224B (Internet) Peru DESCO Gopher in Spanish 11 Apr 96

[From DESCO Resumen Semanal 3-9 Apr: "The Agrarian Unknown Quantity"]

[FBIS Translated Text] The new minister of Agriculture, Rodolfo Munante Sanguineti, declared that the objectives established by the administration of President Fujimori for achieving the development of Peruvian agriculture are centered on providing incentives for agricultural exports, encouraging increased agricultural production, promoting the development of the peasant communities, and supporting the small agrarian farmers. He explained that the existing policy of customs overvaluations will be continued together with implementation of the measures concerning the sugar cooperatives, He indicated that one of the initial problems faced by the agrarian entrepreneurs is to determine what to produce, and for that reason information concerning supply and demand in the various markets will increasingly be made available. Munante went on to say that as soon as possible the regulations for the Land Act will be issued, the Water Law will be proposed, and the effort to put the sugar cooperatives on a sound basis will be continued. He said that Deputy Minister of Agriculture Rodolfo Matsuda will continue in that post, but did not indicate who will replace him as head of the National Food Assistance Program [PRONAA]. (In most of the daily newspapers, 9 April 1996)

Peru: Ombudsman's Budgetary Dependence Noted

96SM0224C Lima CARETAS in Spanish 3 Apr 96

[Unattributed article: "Weapons for the Ombudsman" — received via Internet]

[FBIS Translated Text] Jorge Santistevan de Noriega, Peru's first ombudsman, discloses the guidelines for the duties he will perform.

The initial difficulty to confront Santistevan will be the meager budget that has been allocated to his office.

Although restrained in his comment until he takes the official oath of office, the recently chosen ombudsman, Jorge Santistevan de Noriega, 51, has disclosed the guidelines he will follow in carrying out his official duties.

"My first task," he stated in a press release, "will be to construct an ombudsman's office that can effectively respond to the needs of our citizens, and in particular those among them who are least advantaged. I intend immediately to organize a competent working team that will make it possible to activate the ombudsman's office in the very near future. My goals are to enable our individual citizens—and the community as a whole—to associate themselves with the institution, and to strive—with the future in mind—to provide effective responses in the course of protecting their rights."

The widespread approval that greeted his candidacy will provide him with the necessary support for these goals. Such a consensus is not enough, however. As Deputy Jorge Avendano observes, the ombudsman must install offfices throughout the nation. "That will require a large budget," he maintains. "instead of the token sum of 1.2 million soles that has been allocated to him. He needs to have offices and assistant advisers. Everything now depends on the Executive Branch and on the ability of the ombudsman to carry out his duties. The executive holds the pursestrings and could even go so far as to discredit the ombudsman."

The attorney Javier Valle-Riestra goes on to say that the duties of the ombudsman consist of exercising control over excesses at the various levels of government "whether in the Congress, the Executive Branch, or the judiciary. The ombudsman," he explains, "does not issue sanctions but does denounce the abuses committed by the employees of the different branches of government."

This definitely requires that offices be established throughout the nation. "The ombudsman must first wage a strong educational campaign to inform the public of his duties and of the ways in which he can help them, and this will take from four to six months," Avendano believes. Moreover, he says, the ombudsman's attention will have to be divided between receiving the day-to-day complaints and enforcing the observance of human rights. Whereas ombudsmen are commonplace in Europe and the United States, Avendano observes, in present-day Peru the ombudsman faces the enormous challenge of having to "exercise with firmness a magistracy of persuasion based on the ethical foundations of the office"—as our ombudsman has himself stated.

Peru: National Police Abuses Discussed

96SM0224D (Internet) Peru DESCO Gopher in Spanish 4 Apr 96

[From DESCO Resumen Semanal 27 Mar-2 Apr: "Improving the Morality of the National Police"]

[FBIS Translated Text] The National Police Command has initiated a moralization process within that institution, with the aim of expelling those police officers who are guilty of malicious acts that constitute attacks on the safety and well-being of Peruvian citizens. The minister of the Interior, Army General Juan Briones Davila, made this statement in an interview conducted by the magazine NUEVA IMAGEN, which is published by the National Police. "In 1995," he said, "a thorough evaluation of all personnel was made, and those police officers who were guilty of functional misconduct or malicious acts were separated from the service."

Mirko Lauer has commented on this subject. "It is no exaggeration," he declared, "to say that police criminality has gradually replaced the kind of danger to life and property that Shining Path [SL] represented until recently. The list of crimes committed since 1980 by those to whom some refer—with timorous repetitiousness—as bad policemen is simply astonishing and worthy of public indignation. There are undoubtedly social arguments that can be made (basically, the starvation wages paid the lowest-ranking officers); psychological arguments (tensions, and even work-related and culture-related dementias); and statistical arguments (it is the crimes of the police, not their self-sacrificing actions, that attract the attention of the media). These arguments would be more convincing, however, were it not for the fact that they have been used for the past 16 years. A favorite argument of the neoliberals is that the state should put the economy aside and concentrate on matters such as public safety, inasmuch as public safety—and, in particular, the safety of the middle-class and working-class sectors of the population—is one of the things that have deteriorated the most seriously under Fujimori; and it has deteriorated to a much greater extent since the beginning of the defeat of the SL." (In LA REPUBLICA, 29 March 1996)

Uruguay

Uruguay: Consultation Mechanism Set Up With Paraguay

PY1204182396 Madrid EFE in Spanish 1821 GMT 11 Apr 96

[FBIS Translated Text] Montevideo, 11 Apr (EFE) — Official sources reported today that the Uruguayan and Paraguayan Governments have agreed to establish a consultation mechanism for a permanent follow-up to different aspects of the regional integration process.

The agreement seeks to enhance coordination and analysis of the problems both countries face within the Southern Cone Common Market (Mercosur), which are in many aspects similar.

The sources pointed out that the decision to enhance relations between both countries was made during the state visit Uruguayan Foreign Minister Alvaro Ramos made to Paraguay 9-10 April.

During his stay in Asuncion, Ramos held talks with his Paraguayan counterpart Luis Maria Ramirez [Boettner] and with President Juan Carlos Wasmosy. At both audiences, the Uruguayan foreign minister and his interlocutor agreed on the meetings, to be held in Montevideo, to assess several aspects of Mercosur and the latter's future relations with Mexico.

During Ramos' visit to Paraguay, it was also agreed that Uruguayan President Julio Maria Sanguinetti will visit Paraguay 9-11 June. It was also suggested that representatives of both countries' chamber of industries meet prior to the Uruguayan president's state visit to discuss bilateral issues so that the heads of state may give them their consideration when they meet.

Although commercial relations between Paraguay and Uruguay have been stepped up over the last few years, bilateral trade is still considered moderate. Uruguayan exports to Paraguay amounted to $16.1 million in 1993, $24.1 million in 1994, and $25 million in 1995, whereas its imports from Paraguay totaled $6.8 million in 1993, $8.6 million in 1994, and $16.6 million last year.

Uruguay: Commerce Official Views Exports to Argentina

PY1304033796 Montevideo EL OBSERVADOR in Spanish 4 Apr 96 p 8

[FBIS Translated Excerpt] Juan Carlos Gorini, president of the Uruguayan-Argentine Chamber of Commerce, told EL OBSERVADOR on 3 April that on the afternoon of 1 April Argentine authorities began granting certificates that allow the export of cars from Uruguay to that country. A shipment of 366 vehicles that was being held up due to this problem became untangled.

Since the Argentine Industry Secretariat has once again granted the Certificate on the Need to Import, we can now once again export vehicles assembled in Uruguay. It also allows the possibility of renewing the trade flow that was interrupted in 1995. [passage omitted]

Uruguay: Uruguayan-Argentine Commerce Group on Trade Blocs

PY1104195596 Montevideo EL OBSERVADOR in Spanish 1 Apr 96 p 7

[Article by Oscar Sole]

[FBIS Translated Excerpt] The Uruguayan-Argentine Chamber of Commerce has sent a report to the Foreign Ministry and the Industry, Energy, and Mining Ministry on the non-compliance by the Argentine Government over trade agreements, which is described as detrimental to the Uruguayan car industry and another "episode of non-tariff restrictions" imposed by our main partner.

Car exports to the neighboring country under the ACE [Economic Cooperation Agreement] No. 1 (former CAUCE [Argentine-Uruguayan Agreement on Economic Cooperation]) have not been operational yet and have prompted the aforementioned report.

A note signed by Carlos Beilo, Uruguayan-Argentine Chamber of Commerce manager, says that, pursuant to a resolution issued by the Joint and Permanent Office [Oficina Conjunta y Permanente], trade operations contracted during 1995 under this agreement can be shipped to consumers before 30 April 1996.

The problem lies in the fact that Argentina requires an import certificate, issued by the Argentine Industry Secretariat, for authorizing car shipments. [passage omitted]

Venezuela

Venezuela: ELN Issues Communique, Threatens Officials

PA1204152796 Caracas EL NACIONAL in Spanish 10 Apr 96 p D8

[Report by Jesus Eduardo Brando]

[FBIS Translated Text] The Colombian guerrilla organization Army of National Liberation (ELN) issued a communique on 21 March declaring Venezuelan diplomats accredited in Colombia as being political-military targets. EL NACIONAL received a copy of the communique.

This adds to previous reports in which the ELN has threatened high-ranking Venezuelan military leaders following the activation of Military Theater of Operations No. 1 [TO-1], with jurisdiction in the states of Zulia, Tachira, and Apure, and Task Forces 1.1 and 1.2.

The document is attributed to the Simacota Company, an elite operation group belonging to the ELN's Domingo Lain Front, following a meeting at the end of last month of high-level subversive commanders in the eastern mountains of Colombia. The first part of the document deals with the political crisis of President Ernesto Samper's government and what they call "the savage war between alligators for power." There they alluded to desperate negotiations by the president, which have been questioned nationally and internationally, and the maneuvers to downplay the crisis through the distribution of 8,000 bureaucratic jobs among militant clients of the Colombian bipartisan system.

Severe criticism is also levied on the corruption in all state institutions, such as the legislative branch and the Attorney General's Office, listing the names of officials who are under arrest or are being investigated for having received money from drug traffickers for personal gain and to finance their electoral campaigns, as well as the alleged looting of 252 billion pesos from public coffers.

"It is impossible to hide the truth that the Colombian state is profoundly corrupt and that it socially represents only a politically opprobrious and antidemocratic minority. The Colombian state is also unjust and burdens the Colombian people with extreme capitalist poverty."

U.S. Decertification

The ELN rejects any connection whatsoever to drug trafficking. "Our organization has never considered as a revolutionary method the accumulation of funds for the revolutionary war through criminal drug trafficking capital." Nevertheless, the communique does attribute this relationship to the corruption of institutions, such as the case of General Medina, former commander of the National Police, currently under arrest.

The ELN claims to brandish the flag of territorial and national sovereignty through the concept of relationships of equality and brotherhood among the nations, the principles of people's self-determination, and the nonintervention into the internal affairs of other states, as well as respect for the norms of international law.

All this is used to accuse the Samper government of treason and being subservient to the administration of U.S. President Bill Clinton, by questioning the moral right to certify other countries, when it is the United States that is the world's greatest drug consumer. No police measures have been taken against the gringo capos and no effective financial and judicial measures have been taken against the circulation of billions of dollars in the U.S. economy.

In the other chapter of the communique, they state that they are equally at war with the Colombian and Venezuelan oligarchy and call on the people from both countries to reject "the outbreak of false patriotism and false nationalism that the governments of Caldera and

Samper have boosted to deflect attention from each country's domestic problems."

The ELN accused the Venezuelan National Guard of charging transit taxes to people who navigate the Arauca River, and in practice carry out capital punishment against those who transit without their permission. The ELN blames any "aggression" on Ministers Moises Orozco Graterol (defense), Pompeyo Marquez (borders), and TO-1 Commander Dumas Rojas, task force groups, and FAC [Colombian Armed Forces] Region No. 1 Commander General Frank Briceno Gil, for which they offer $2 million for their lives.

They also claim responsibility for last month's murders of National Guard members Angel Arellano and Jose Enrique Fernandez Laguado in La Victoria village. The ELN took the guards' two rifles. The communique announces that new attacks are to take place, similar to those carried out in Cutufi (1983) and Cararabo (1996), the attacks on the consulate and embassy in Bogota, as well as declaring diplomats and Venezuelan installations in Colombia as political-military targets.

Venezuela: Defense Minister on Arrest of ELN Sympathizers

PA1204153796 Caracas Venezolana de Television Network in Spanish 0230 GMT 10 Apr 96

[Report by Fernando Porte]

[FBIS Translated Text] Venezuelan Defense Minister Moises Orozco Graterol confirmed at the Miraflores Presidential Palace the arrest in the last few days of 15 subversives near the border, with links to Colombian guerrilla groups. He also confirmed that four guerrillas were killed during a clash in Zaraza.

Those currently under detention are ready to appear before military tribunals to be charged with kidnapping and attacks against our soldiers.

[Begin recording] [Orozco] We have found documents, photographs, and other things I cannot mention that link them to the ELN [Army of National Liberation].

[Porte] [words indistinct]

[Orozco] In the theater of operations in Guasdualito.

[Unidentified female reporter] Are they being questioned?

[Orozco] Yes, their statements are being taken and they will then be turned over to military tribunals and placed on trial. [end recording]

In conjunction with this information, the defense minister said that he has no information regarding a meeting with his colleague on 18 April. He said that he is awaiting specific instructions from the Foreign Ministry on this.

Venezuela: Government Asks Colombia To Protect Diplomats

PA1304180096 Caracas Venezolana de Television Network in Spanish 0230 GMT 12 Apr 96

[FBIS Translated Text] In view of new threats from Colombian guerrillas, Venezuela has asked the authorities of that country to protect our diplomats. The request was made under the premise that a forewarned soldier is forearmed and that it is better to prevent those threats from materializing.

[Begin Foreign Minister Burelli Rivas recording] We have asked Colombia to give all the necessary protection to our consular and diplomatic offices in Colombia. We are also giving them all the assistance we can. They have been receiving those threats for a long time. [end recording]

In regard to a recent guerrilla attack on the military post in Puerto Ayacucho, Burelli Rivas said that Venezuela is on alert in view of the possibility of another incident.

Burelli Rivas said that the Cucuta Summit, which was suspended at the Colombian Government's request will not take place until Venezuela appoints an ambassador to that country. He denied that Sebastian Alegrett, the current Venezuelan representative to the OAS will be the new ambassador.

Venezuela: Constitutional Guarantees' Suspension Denied

PA1504030296 Caracas Venezolana de Television Network in Spanish 0230 GMT 13 Apr 96

[Report by William Bracamonte and Pedro Prado]

[FBIS Translated Text] [Bracamonte] Minister of the Presidency Secretariat Asdrubal Aguiar has denied that the National Government plans to suspend constitutional guarantees on the occasion of the announcement of economic and financial measures, which the president will officially present to the country on Monday.

[Prado] Minister of the Presidency Secretariat Asdrubal Aguiar categorically stated that the suspension of guarantees is senseless because, happily, contrary to what happened in the past, measures derived from the Venezuela Agenda are known by the whole country and economy ministers have reported them to the various national groups. Minister Aguiar accepts that, despite the difficult nature of these measures, they are the result of a consensus. The cabinet member argues that, aside from the constraints that the adjustment will impose, it represents a promising future for Venezuela. Therefore, he rules out any rumor.

[Begin Aguiar recording] Those rumors and those commentaries are probably commentaries heard in cafes. When there is talk about situations and outbreaks, it involves irresponsible persons who do not remember the sorrow that 27 February 1989 represented for many people. We would have to ask the people who still suffer the pain of that sorrow what the whole thing represented for them. Now these measures are almost the result of a demand from all the Venezuelan people. The country's leaders have been told: If we must tighten our belts, we should do it now. Let us get over the difficult part and let us establish a goal with greater fortitude and hope for the Venezuelan people. [end recording]

Minister Aguiar recalled that the measures to be announced will lessen the effects that the measures will have in the community.

Venezuela: Teachers To Continue Strike Despite Decree

PA1504043196 Caracas Venezolana de Television Network in Spanish 0230 GMT 13 Apr 96

[Report by Maria Lisette Ramos and Zulay Ramos]

[FBIS Translated Excerpt] [Ramos] Regarding the teachers' strike, the National Inter-Union Command [Comando Nacional Inter-Gremial] of Venezuela issued an appeal to teachers' leaders, urging them not to go to work on Monday.

[Ramos] Once the National Inter-Union Command analyzed the decree for resumption of activities, the organization confirmed during its Friday meeting its rejection of the National Executive Branch's measure. The organization's members said the strike will continue. They state that they have enough legal grounds to assert that the [executive branch] decision does not abide by the law because, they claim, it violates the national constitution and the labor law.

[Begin Jesus Ramirez, National Inter-Union Command Coordinator, recording] The information we have is that the government will place the schools under military control, like it was done in 1969. We cannot talk under those conditions and the teachers will not work under those conditions. [end recording]

[Ramos] The Federation of Associations of University Professors of Venezuela, FAPUV, will declare a national strike on 17 April precisely to support the teachers' leaders in the country. They also stated their rejection of the executive branch decree forcing teachers to return to the classrooms on Monday.

[Begin FAPUV President Jose Rafael Casal recording] Other groups, including the workers group, will adopt measures like the one adopted by the university professors. The group comprised of university and technological colleges professors, which includes FAPUV, will also adopt measures. Therefore, we believe this is a problem that concerns the entire national education sector and we will give them our support. [end recording]

[Rosas] Nevertheless, IESA [Institute of Higher Education for Administration] President Ramon Pinango considers this measure as unavoidable and dramatic.

[Begin Pinango recording] It is unavoidable given the cost, the immense cost, that a teachers' strike has for the country. This is a country that needs education, above all, and I think that if we subtract minutes or hours from the children's and young people's classes this will have incalculable consequences. [end recording]

Given this situation, will parents and representatives send their children to class on Monday? [passage omitted]

Venezuela: Decree Ordering Teachers Back To Work Rejected

PA1304192396 Caracas Venezolana de Television Network in Spanish 1530 GMT 12 Apr 96

[FBIS Translated Text] Congress has rejected, in a joint session, the controversial decree ordering the resumption of classes. It called on the president of the Republic to repeal this measure and resume talks with striking teachers.

The Education Commission believes that the resumption of classes will not resolve the problem. The Commission added that it is incorrect to say that there is no time to save the school year.

[Begin Deputy Pablo Gonzalez recording] We must find ways so that we can come out stronger from this situation. [end recording]

Meanwhile, teachers' strike mediator Monsignor Ignacio Velasco said that the situation created by the executive branch adversely affects his aspirations for a negotiated solution.

[Begin Msgr. Velasco recording] I believe talks may continue and, along the way, reach a more satisfactory solution. [end recording]

However, the interior minister rejected the statements by legislators, stressing that the position of the legislature is out of touch with the national reality. He added the executive branch is determined to guarantee the right to education.

[Begin Interior Minister Jose Guillermo Andueza recording] The executive branch acted within the framework of the law, exercising its authority as the division of power mandates. The executive branch has the authority to make a decision and so it did.

The Venezuelan Congress, as a deliberating entity, has every right to state its opinion. Now, the executive branch wants to make it clear that this was not an arbitrary or unfounded decision. It was a decision made following 30 days of negotiations, after exhausting all resources, as Congress knows perfectly well. There is not one more single bolivar to meet the demands of teachers. [end recording]

Consequently, we will have to wait for the parties in this conflict to reach a negotiated settlement in the next 48 hours because, otherwise, the measures established in the decree ordering the resumption of classes will be implemented. This decree will go into effect next Monday, 15 April.

Venezuela: BCV Urges TEM Substitute for Cheaper Bonds

PA1204191996 Caracas ECONOMIA HOY in Spanish 8 Apr 96 p 3

[Report by Yelitza Cova]

[FBIS Translated Text] In the first report presented by Antonio Casas Gonzalez, president of the Central Bank of Venezuela (BCV), before the ordinary general assembly on 3 April, he states that during the second half of 1995 the BCV placed a total of 988.595 billion bolivares in Monetary Stabilization Bonds (TEM), as part of the restrictive monetary policy.

At the close of the semester, the balance of circulating TEM reached 609.269 billion bolivares, an amount "higher than in June 1995, but lower than at the end of 1994."

The BCV claims in its report that due to the fiscal deficit, the banking system's vulnerability, negative interest rates, and continued currency control, the BCV had to continue with the TEM policy, which raised the effective yield of these securities, causing a higher financial cost for the BCV during the second half of 1995.

Because this cost was higher than the yield of the BCV's productive assets, for the first time the BCV shows operational losses amounting to 77.971 billion, which will need to be covered with funds set aside during previous fiscal periods. This is why it is said that the losses have not affected BCV assets.

Nevertheless, the BCV adds that in order to improve the quality of its assets and have new securities for its open market operations, it is adopting measures to restructure its government credits.

For this reason, the BCV is requesting the executive branch and the National Congress to substitute the TEM for less costly bonds.

Likewise, the report states that the BCV placed securities and treasury bonds worth 346.745 billion bolivares and 2.05 billion bolivares respectively. The circulating balances settled at 172.693 billion bolivares and 162.049 billion bolivares at the close of 1995.

The BCV gave 156.085 billion bolivares in credit assistance for temporary lack of liquidity to various banks. The outstanding debt balance, following several cancellations, amounted to 16.486 billion bolivares.

Deposit Guarantee and Banking Protection Fund (Fogade), in turn, documented its obligations with the BCV through a provisional 20- year certificate amounting to 1.3 trillion bolivares, to be canceled in a single payment upon maturity.

This makes the BCV responsible for part of the financial crisis and "limits its capacity to fight inflation," which is the "key variable of the upcoming Macroeconomic Stabilization Plan," according to the report.

According to the results presented by the BCV, economic activity experienced some recovery with a slight 2.2 percent GDP growth in 1995.

The accumulated second semester inflation reached 28.3 percent, which represented an increase compared to the first semester of 1995. Nevertheless, it was reported that the 1995 annual accumulated inflation rate (56.6 percent) was less than 1994's (70.8 percent).

The overall balance of payments showed a deficit due to the deficit in the capital account. This resulted in a loss of gross international reserves worth $825 million, thus the closing 1995 balance was $9.723 billion.

Regarding public finances, the report explains that the government increased expenditures and delayed compliance of its obligations. The central government closed the semester with a deficit of 1.6 percent of the GDP, lower than the previous semester (2.6 percent of the GDP).

The government's financial deficit is estimated at 4.8 percent of the GDP, less than in 1994, when it was 6.8 percent.

Monetary liquidity in the hands of the public increased 12.9 percent nominally, but was lower than in the first semester.

The report also notes that commercial banks suffered a slowdown in its collections, attributable to negative real interest rates and the expected devaluation and inflation. Likewise, greater collections were observed compared to the first semester in 1995. The bank intermediation level increased six points and settled at 38.3 percent.

The BCV concludes that the economic figures for the second semester of 1995 reflect that control schemes have been exhausted. In October 1995, talks began with multinational organizations in order to "design an overall economic program aimed at controlling inflation and to reestablish macroeconomic balances."

To this end, the BCV ratifies in its report its commitment to contribute to the follow-up of the economic program, and at the same time states that the BCV's government credit claims are a priority "because the institute's credibility and its capacity to develop a clear monetary policy has to do with the institution's financial solidness."

Venezuela: Government To Allocate Funds for Social Plan

PA1204151696 Caracas EL UNIVERSAL in Spanish 6 Apr 96 p 2-1

[Report by Luis Manuel Escalante]

[FBIS Translated Text] The government will allocate 491,225,400,000 bolivares to implement 14 social programs to counteract the effects of the implementation of the Venezuela Agenda in upcoming days.

According to the Family Ministry and the Cordiplan [Office of Coordination and Planning], the aforementioned amount will come directly from the national budget, additional credits, and contributions from multilateral organizations.

The National Recovery Plan for 1996 of the Venezuela Agenda surpassed the 2 percent GDP allocations for social programs, and includes direct food and financial subsidies, training to reintegrate workers to the market place, and programs to promote jobs.

The plan includes the following programs:

1. A family subsidy for students. It will be paid to more than 3.05 million families, or 206,000 more families than in the 1995 program.

This program will represent allocations for 138.248 billion bolivares. It is expected to compensate by 6.5 percent the family income of those sectors favored.

2. Strategic programs of maintenance, which are directed to 2,324,637 households, 1,224,637 more than in 1995. This program aims at enriching food, reducing its cost, and increasing the amount of nutrients for more than 10 million people from low-income families.

3. A food program for students to take care of 711,000 school children, approximately 681,000 more than those in the 1995 program. Total cost will be 20 billion bolivares.

The objective is to improve the nutritional level of students, and strengthen the school and sociocommunity system.

4. The school lunch program will take care of 1.6 million children from low-income families, at a cost of 38.683 billion bolivares. This program is expected to have an impact in students' health by improving their diets.

5. A total of 329,534 school dining halls will be maintained similar to those of 1995 at a cost of 15.4463 billion bolivares. These halls will have the same purpose of the school lunch program.

6. Approximately 3.05 million students, 450,000 more than in 1995 will receive uniforms and school supplies.

7. An investment of 7.206 billion bolivares to supply medicines (Sumed) to 7 million Venezuelans. This is aimed at facilitating the access to medications to fight the 25 main causes of death in the country.

8. A food program for mother and child (PAMI). This program will benefit 975,501 homes at a cost of 23.462 billion bolivares, and aims at strengthening the health sector's first level plans by means of the outpatient system.

9. Distribution of surgical instruments to be used directly with outpatients, at a cost of 2.7372 billion bolivares, and aimed at strengthening the outpatient system to take care of 20 million medical appointments per year.

10. Day-care centers for 350,000 children at a cost of 34 billion bolivares. This program will bring support to working families, give essential care to children, and strengthen the community by means of consolidating the aforementioned program, which will maintain the same number of units this year.

11. Temporary employment for 30,000 workers, who are employed at present according to the official program. A total of 13.535 billion bolivares will be allocated for this purpose. The objective is to promote income by means of short-term jobs by implementing social services, and including decentralized offices.

12. The reintegration of approximately 48,153 workers, who are employed at present, but must vacate public posts.

The plans will include implementation of training and recycling programs for these workers in order for them to be able to engage in productive activities in the working place. A total of 2.208 billion bolivares will be allocated for this purpose.

13. Students' fare subsidy involving 57,132 transportation units throughout the country. This program will earmark 19.4005 billion bolivares, and aims at reducing transportation expenses of approximately 5,356,530 students from different academic levels.

14. Provision of urban facilities (housing and environmental cleanup) in approximately 1,000 low-income areas of the different cities and towns in the country. This represent 200,000 more than those favored in 1995.

To this end, an investment of 124.556 billion bolivares will be earmarked to improve sanitary conditions of the residents of low- income urban areas of the country.

A total of 491.2254 billion bolivares will be allocated for social expenditure to strengthen sectors, such as education, health, culture, justice, social security, social development, housing, urban development, and related services.

Venezuela: Caldera Views 'Alliance To Train Youths'

PA1204044596 Caracas Venezolana de Television Network in Spanish 0230 GMT 11 Apr 96

[Report by Fernando Port — passages within quotation marks are recorded]

[FBIS Translated Text] More than 200,000 young people will be able to participate in the nation's development while they learn thanks to an agreement signed today at Miraflores Palace. The agreement is called the National Alliance To Train Youths.

The national employment plan is a proposal developed by the Youth Ministry to generate the necessary conditions for the young people's training and employment. The operational options of the employment plan include: training in semi-qualified jobs up to the sixth grade; the training of professional technicians; workshops for on-the-job training; specialized professional training; placement in the job market; and the creation of enterprises.

President Caldera has admitted the signing of this alliance for employment is a clear message to the country:

[Caldera] "I am certain this commitment is a serious one. We will exert a great effort, and this effort is not only to show these young people that there are incentives, possibilities, and hopes for the future; it is also a contagious initiative that must be multiplied in order to reach the 21st century."

In addition to the Youth Ministry, the Family Ministry, the Education Ministry, INCE [National Institute of Cooperative Education], CTV [Venezuelan Workers Confederation], Corpoindustria [Corporation for the Development of Small- and Medium-Sized Industry], and the Defense Ministry will work inter-institutionally in the national alliance for employment:

[Youth Minister Maria Pilar de Romero] "The first phase is the one we call Finding the Youth. It is simply to tell them: Where are you? Come. In which of our offers are you interested?

[Defense Minister Moises Orozco Graterol] "There is a plan through the military INCE to train not only soldiers but also young people who have no training. Social programs launched with the Youth Ministry will strive to expedite the credits for small-scale enterprises:

[Corpoindustria President Amaury Garcia] "Corpoindustria plays a very important role in the overall program to employ young people, because the corporation's policies include the creation of small-scale enterprises and providing technical aid to train young people in business activities."

The governorates and municipalities will play an active role in the financing of this employment plan, which has a 6.5 billion bolivares budget, to reach 200,000 young people during 1996. The governorates will review their budgets and are willing to sacrifice themselves:

[Governors Association President Jose Gregorio Montilla] "We do not have resources. I am one of the governors who are emphatically telling the country that the governors do not have resources for the pledges assumed by the national government, but, I insist, in this particular case we will exert ourselves as much as necessary to fulfill our portion."

The initiative will be complemented with a study of the job market so as to establish and define opportunities. Likewise, these people will earn a scholarship-salary ranging from 8,000 to 10,000 bolivares while they study and learn.

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